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Daily Report

Latin America

FBIS-LAT-94-049
Monday
14 March 1994

Daily Report
Latin America

FBIS-LAT-94-049 CONTENTS *14 March 1994*

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An Ω indicates a Foreign Media Note.

INTERNATIONAL AFFAIRS

- Parlacen Asks EU To Extend Preferential Tariffs *[ACAN]* 1
- EU To Grant Cooperation to Central America *[NOTIMEX]* 1

CARIBBEAN

Cuba

- Government Wants U.S. Telecommunications Links *[Havana Radio]* 2
- Ambassador Denies Colombian Rebels Met in Cuba *[Havana Radio]* 2
- Foreign Minister Robaina Arrives in Burma *[Havana Radio]* 2
  - Activities in Burma Detailed *[Havana TV]* 3
  - Asian Tour Activities Viewed *[Havana Radio]* 3
  - Views Frei Inauguration *[EL MERCURIO 24 Feb]* 3
- Ambassador Minimizes UN Human Rights Resolution *[Madrid EFE]* 3
- Human Rights Official Comments on U.S. Blockade *[Havana Radio]* 4
- Guadeloupe Trade Envoys See 'Positive' Outlook *[Havana TV]* 5
- Spanish To Help Train Technicians, Teachers *[Havana Radio]* 5
- General Visits Guantanamo Border Brigade *[Havana TV]* 5
- Editorial Views U.S. Customs Response to Caravan *[Havana Radio]* 6
  - Participant Views 'Oil for Cuba' *[Havana Radio]* 6
- Trade Unions Leader Admits Economic Inefficiency *[Hamburg DPA]* 6
- Roundup of Economic Activity *[Havana Radio, TV]* 7

Haiti

- Sansaricq Blames U.S. Spokesman for Senate Conflict *[Port-au-Prince Radio]* 8
  - Deputy Blames U.S. State Department *[Port-au-Prince Radio]* 8
  - Weapons Enter Conflict; Senator Advises *[Port-au-Prince Radio]* 8
- Deputy Desjardins on Army Acceptance of Plan *[Port-au-Prince Radio]* 9
- Deputy Refutes REUTERS Report on Meeting *[Port-au-Prince Radio]* 9

NAFTA

- Mercosur To Negotiate NAFTA Entry as Bloc *[Madrid EFE]* 11
- Official: Chile 'Natural Candidate' for NAFTA *[EL MERCURIO 2 Mar]* 11

MEXICO

- Camacho Advocates 'Reconciliation' *[Mexico City Radio]* 13
- Cardenas: Camacho Can Run for Office on PRD Ticket *[Mexico City TV]* 13
  - Cardenist Candidate Criticizes Camacho *[Mexico City TV]* 13
- Deputies Accuse U.S. of Profiting From Conflicts *[UNOMASUNO 11 Mar]* 14
- Baja California Offers Reward for Drug Trafficker *[UNOMASUNO 10 Mar]* 14
- Editorial Decries U.S. Move To Count Votes *[UNOMASUNO 10 Mar]* 15
- EZLN Commander Says 'No Agreements Signed' *[EL NORTE 11 Mar]* 15
- Ruiz Says Chiapas Peace Talks To Resume in 2 Weeks *[Mexico City Radio]* 16
- EZLN Begins Grass Roots Consultations on Accord *[NOTIMEX]* 16
- Chiapas Governor Acknowledges Climate of Tension *[UNOMASUNO 11 Mar]* 16

Colosio on Salinas' Influence, Chiapas *[EL NORTE 7 Mar]* 17
Colosio Endorses Distinguishing Government, PRI *[Mexico City Radio]* 19
Roundup of Mexican Electoral Developments *[Mexico TV, etc.]* 20
Serra Puche Says Competitiveness Key to Success *[EL FINANCIERO 8 Mar]* 21
Environmental Office Closes Companies in North *[EL FINANCIERO 9 Mar]* 22

CENTRAL AMERICA

El Salvador

Onusal Director: Violence 'Very Worrisome' *[LA PRENSA GRAFICA 8 Mar]* 23
National, Civilian Police To Provide Election Security *[EL DIARIO DE HOY 9 Mar]* 23
Officials View Ballot Box, Voter ID Anomalies *[San Salvador TV]* 24
Cristiani: Peace Accords 'Progressing Normally' *[LA PRENSA GRAFICA 10 Mar]* 24

Guatemala

Army Spokeswoman Defends Civilian Patrols *[PRENSA LIBRE 6 Mar]* 25
  'State of Siege' Declared *[Guatemala City TV]* 25
Police Defuse Several Bombs Around Capital *[ACAN]* 25
Troops Said To Thwart 2 Coup Attempts *[ACAN]* 26
Foreign Ministry Reasserts Territorial Claim on Belize *[ACAN]* 26

Honduras

President Reina's State of Nation Address *[Tegucigalpa Radio, TV]* 26
Comayagua Deputies Comment on U.S. Troops *[EL PERIODICO DE HONDURAS 8 Mar]* 32

Nicaragua

Weapons Diverted to Drug Traffickers *[BARRICADA 7 Mar]* 33
Human Rights Bodies Concerned About U.S. Deportations *[BARRICADA 12 Mar]* 33
C. Chamorro Analyzes Strike Failure *[BARRICADA 5 Feb]* 34

Panama

Candidate Blades Explains Plan for Government *[Panama City TV]* 34
PRD Candidate Remarks on Electoral Violence *[Panama City TV]* 36

SOUTH AMERICA

Argentina

Sale of Weapons to Liberia Suspended *[CLARIN]* 37
Di Tella Discusses UK Intelligence Training *[NOTICIAS ARGENTINAS]* 37
Accord Signed To Strengthen Ties With Brazil *[Madrid EFE]* 38
Santiago del Estero Protest Draws 'Little Support' *[NOTICIAS ARGENTINAS]* 38
Businessmen View Problems, Competitiveness *[LA PRENSA 6 Feb]* 38

Bolivia

Ex-President Garcia Meza Arrested in Sao Paulo *[Rio de Janeiro TV]* 42
  Government Confirms Arrest *[La Paz TV]* 42
Peasants: Government Wants All Plantations Eradicated *[PRESENCIA 27 Feb]* 42
Minister Denies Deaths, Explains Events *[LOS TIEMPOS 28 Feb]* 43
Satisfaction Expressed Over Frei's Remarks *[La Paz Radio]* 43

Brazil

U.S. Military Chief's Visit Seen as 'Significant' *[O GLOBO 11 Mar]* 44
Accord With IMF Delayed; Mission to Visit U.S. *[FOLHA DE SAO PAULO 10 Mar]* 44
Police Arrest Yakuza Mafia Boss Wanted in Japan *[O GLOBO 9 Mar]* 45
PPR Leader Paulo Maluf To Run for President *[O GLOBO 10 Mar]* 45

Cardoso Denies Any Decision Made on Candidacy *[O GLOBO 12 Mar]* 46
PT Creates Council To 'Isolate' Radicals *[O ESTADO DE SAO PAULO 11 Mar]* 46
Constituent Congress Changes Nationality Rules *[FOLHA DE SAO PAULO 9 Mar]* 47
Senate Approves Appointments To Control Prices *[O GLOBO 4 Mar]* 47

Chile

President Eduardo Frei Sworn In in Valparaiso *[Santiago TV]* 47
    President Addresses Public *[Santiago TV]* 48
    12 March Agenda Outlined *[Madrid EFE]* 48
    Frei Will Not Ask Pinochet To Resign *[Madrid EFE]* 49
Senate, Chamber of Deputies Presidents Elected *[Santiago TV]* 49

Colombia

Top Cali Cartel Leader Reportedly Surrenders *[Hamburg DPA]* 49
    De Greiff Confirms Surrender *[Hamburg DPA]* 50
    Unconditional Surrender *[Santa Fe de Bogota TV]* 50
    Justice Minister Comments *[Santa Fe de Bogota TV]* 50
    Attorney General Comments *[Santa Fe de Bogota TV]* 51
    Justice Minister Comments *[Santa Fe de Bogota TV]* 52
Government Refuses To Relocate Cartel Members *[Santa Fe de Bogota TV]* 52
Key Prosecutor Official Assassinated *[EL NUEVO SIGLO 7 Mar]* 52
Communique Defines Media Restrictions for Elections *[Santa Fe de Bogota TV]* 53
Bulletin Puts Samper in 1st Place in PL Primary *[Santa Fe de Bogota TV]* 53
    Candidates Acknowledge Samper Victory *[Santa Fe de Bogota TV]* 53
Samper, Reyes, Pastrana Remark on Elections *[Santa Fe de Bogota TV]* 55
Samper Appeals for Liberal Party Convergence *[Madrid EFE]* 55
President Casts Vote in Legislative Elections *[Santa Fe de Bogota TV]* 55
Registrar Remarks on Liberal Party, Senate Votes *[Santa Fe de Bogota TV]* 56
Government: Legislative Elections 'Success' *[Hamburg DPA]* 56
Defense Minister on Legislative Elections Situation *[Santa Fe de Bogota TV]* 57
ELN Kidnaps Electoral Officials in Carcasi, Santander *[Santa Fe de Bogota TV]* 57
    Authorities Released *[Hamburg DPA]* 57
Venezuelan Forces Reportedly Cross Into Colombia *[Santa Fe de Bogota TV]* 58

Paraguay

Peasant Crisis Prompts Replacements of Officials *[NOTICIAS 9 Mar]* 58
Peasant Leaders Reject Wasmosy Remarks *[NOTICIAS 12 March]* 58
LAPSA Announces Suspension of All Flights *[ABC COLOR 9 Mar]* 58
DPRK Delegation Visits To Promote Bilateral Ties *[ABC COLOR 11 Mar]* 59
Wasmosy Supports Colombia's Gaviria as OAS Head *[NOTICIAS 12 Mar]* 59
Wasmosy, U.S. Official Meet in Chile *[NOTICIAS 12 Mar]* 59

Peru

Shining Path Allegedly Trying To Reorganize *[Madrid EFE]* 60
CSJM Accuses 18 Officers of Embezzlement *[Madrid EFE]* 61
Daily Views Fujimori's Lack of Electoral Rival *[EXPRESO 22 Feb]* 61
Government Announces Creation of 1 Million Jobs *[LA REPUBLICA 23 Feb]* 62
Prime Minister Talks to Japanese Businessmen in Tokyo *[LA REPUBLICA 24 Feb]* 62

Uruguay

Lacalle Views Miami Summit, OAS Elections, Cuba *[Madrid EFE]* 63
Foreign Minister Outlines Policies *[LA MANANA 19 Feb]* 63
Economy, Finance Minister Reaffirms Economic Policy
  [EL OBSERVADOR ECONOMICO 24 Feb] 65
Higher Court Confirms Extradition of Alleged ETA Member *[Madrid EFE]* 65

Venezuela

President Caldera Signs Emergency Banking Law *[Caracas TV]* 66
Banco Latino To Fall Under Law *[Caracas TV]* 67
IESA Economist on Challenges Facing Caldera *[EL NACIONAL 7 Feb]* 68
AD Leaders Deny Seeking U.S. Support for Coup Plans *[EL NACIONAL 11 Mar]* 68
National Guard Commander in Zulia Department Dismissed *[EL NACIONAL 9 Mar]* 68
Riots, Strikes Continue in Merida for Sixth Day *[EL UNIVERSAL 9 Mar]* 69
President Speaks at Border Council Installation Ceremony *[Caracas TV]* 69
Ministry Reorganization Places State TV Under New Authority *[Caracas TV]* 70
Entry of Illegal Aliens Through Maiquetia Airport Described *[EL NACIONAL 11 Feb]* 71
Political Consultation Mechanism Installed With PRC *[EL NACIONAL 8 Mar]* 72

Suriname

Recovery Plan To Be Discussed in New York *[Rotterdam ALGEMEEN DAGBLAD 10 Mar]* 72

Parlacen Asks EU To Extend Preferential Tariffs

PA1103175894 Panama City ACAN in Spanish 2252 GMT 7 Mar 94

[Text] Guatemala City, 7 Mar (ACAN-EFE)—Today the Central American Parliament (Parlacen), asked the European Union (EU) to extend for an additional 10 years the special and temporary preferential tariffs for most products imported from the region.

The initiative was approved today by the Parlacen plenum presided over by Salvadoran Francisco Guerrero. Parlacen has representatives from El Salvador, Guatemala, and Honduras.

The regional political forum reported in a communique that the EU granted preferential access to its market to a broad range of Central American products, excluding bananas, but that the term will expire on 31 December.

Due to the "worrisome" situation in exports, it has been deemed convenient to ask the EU to renew this preferential treatment for 10 more years, the communique states.

The initiative will be passed on to regional presidents, who in turn will instruct their foreign and economy ministers to present this at the meeting of the San Jose 10, between Central America and Europe, slated for 28-29 March in Athens, Greece.

Parlacen also asked the European Parliament's support in obtaining more preferential tariffs.

EU To Grant Cooperation to Central America

PA1303022894 Mexico City NOTIMEX in Spanish 0140 GMT 9 Mar 94

[Text] Guatemala City, 8 Mar (NOTIMEX)—The European Union (EU) will grant "top priority" to economic cooperation to Central America to support this region's integration, according to a document released here. The document is to be approved this month in Greece. The declaration, entitled "Economic Content of the San Jose X Joint Communique," was drafted on 7 and 10 March by the Isthmus deputy foreign ministers and EU representatives. It will be approved on 28 and 29 March during the ministerial summit to be held in Athens, Greece.

According to the document, the European ministers will express satisfaction over the advances in Central American economic integration. The EU officials will recognize the progress made in the Isthmus by implementing actions to incorporate the area into the world economy.

The text cited the elimination of obstacles to commerce and the renegotiation of the Central American uniform customs tariff, as well as the agreements on the implementation of safeguards. The 12-page declaration mentioned the European position on the expansion of economic and social development in the Isthmus.

During the Athens meeting, the European and Central American foreign ministers will express their concern over the impact the economic adjustment programs have on the neediest sectors. The EU representatives reiterated their offer of support to handle the needs of the sectors hurt the most by those policies.

Concerning tax uniformity, the Central American side will ask its European counterpart to provide its knowledge and experience on the matter. The European ministers will stress multilateral commercial negotiations within the framework of the Uruguay Round, with the idea the implementation of these accords will have positive effects in relaunching the international economy on clear rules.

At the Athens meeting, the two regions will establish a commercial forum with yearly ordinary meetings to strengthen an exchange on the matter. Regarding access to the European market, the Central American ministers will explain their concern over the difficulties regional exports face in Europe. The document that must be approved by the foreign ministers of the two regions cited the advisability of overcoming obstacles that limit the growth of commercial flows. The officials will mention the importance of the preferences on customs tariffs the EU has granted to Central American exports.

They will also reiterate the agreement established in principle to review commercial aspects on a yearly basis. Officials from the two regions will discuss the marshaling of financial resources via the European Investment Bank and reaffirm the need to promote economic aid.

The ministers will assess the EU's aid to Central America in the past decade and will stress its importance for the peace, democracy, and development processes. The officials will also discuss topics concerning the environment, Central American refugees, coffee and bananas, social investment, and the area's peace process.

Cuba

Government Wants U.S. Telecommunications Links

PA1303030094 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Mar 94

[From the "Evening Information Review" newscast]

[Text] Cuba has reiterated its willingness to restore telephone communications with the United States through agreements with U.S. telecommunications companies that are able to follow the proper procedures justly, equally, and reasonably. An official note from the Cuban Government states it is awaiting a decision from the U.S. Federal Communications Commission, which could authorize three of that country's companies to initiate telecommunication services to Cuba.

The information, reported by the official newspaper GRANMA, says these are norms established by the State Department for U.S. long-distance telephone companies. The note specifies Havana-based EntelCuba [National Telecommunication Enterprise of Cuba] signed recently separate agreements with three U.S. companies from Washington, Oklahoma, and Mississippi. GRANMA has reported the parties have agreed to establish a distribution rate of $1.20 per minute, divided by 50 percent between the Cuban and U.S. companies.

The note explains before 1991, when Hurricane Andrew interrupted telecommunications between the two countries, Cuba paid, for humanitarian reasons, all costs of the service, which originated in Cuban territory, without receiving a single cent of what was legally and justly its share. It explains that since 1966, as a result of the blockade, there have been accounts in U.S. banks totaling $100 million, resulting from operations various governments have carried out to prevent the telephone company from paying Cuba.

Negotiations between EntelCuba and the U.S. companies began during the second half of 1993, after the current U.S. Government authorized the resumption of traffic and the payment of Cuban telephone services.

Ambassador Denies Colombian Rebels Met in Cuba

FL1103203794 Havana Radio Rebelde Network in Spanish 1800 GMT 11 Mar 94

[Text] Today, in Bogota, Cuban Ambassador to Colombia Jesus Martinez reiterated that a meeting of Colombian rebel leaders never took place in Cuba. In an interview with the Radio Caracol network, due to the insistence of the EL TIEMPO newspaper that such a meeting took place, the Cuban diplomat stated that they are being fooled by someone interested in destroying the excellent relations between the two countries. Those accusations were also denied by the Colombian Government and the minister of defense, as well as by several of the participants in a solidarity meeting held in Havana in January.

The Communist Party of Colombia, as an organization that participated in the forum that was held in Havana, issued a statement saying that any attempt to distort the nature of the Latin American meeting was an effort to reaffirm the infamous U.S. blockade against Cuba. The note also stated that efforts are being made to block the sale of oil to Cuba, a transaction that was recently approved by the Colombian Government and condemned by recalcitrant minority groups of Cuban emigres in Miami.

Foreign Minister Robaina Arrives in Burma

FL1203194394 Havana Radio Rebelde Network in Spanish 1800 GMT 12 Mar 94

[Text] Foreign Minister Roberto Robaina arrived in Myanmar—formerly Burma—this morning from Laos, on his tour of seven countries of south and southeast Asia that also includes Cambodia, India, Malaysia, and Vietnam. Reporter Roberto Cavada obtained further details via telephone:

[Cavada—live or recorded] I think it is important to comment, for Cubans, on the expectations and the work plan of the Cuban delegation in Myanmar.

[Unidentified reporter] The foreign minister has just arrived in Myanmar, formerly known as Burma, from Laos. He is practically at the midpoint of his tour, which began this week in Indonesia and which includes Thailand. In Thailand, although it was a short visit, a technical stopover, Foreign Minister Robaina took the opportunity to talk with the Thai foreign minister in Bangkok. His tour also included Laos, and now Myanmar.

I would dare say that, in fact, the tour has turned out to be a big success. At all his stops, the Cuban foreign minister has been received by heads of government, foreign ministers, and the business circles of those countries. In the case of Myanmar, I can tell you that its foreign minister, Ohn Gyaw, visited the island last year; one of his objectives was to explore possible channels for collaboration between the two nations. The visit by Robaina that begins today is considered a reaffirmation of the relations of friendship maintained by the two nations despite the distance that separates us.

Even though it is a weekend, the foreign minister has a very tight schedule, with several meetings scheduled with high-ranking figures here. On Monday he will leave for Cambodia.

This is what I can tell you about this tour of the Cuban foreign minister through several Asian nations. Thank you, Cavada, and greetings to Radio Rebelde listeners.

[Cavada] They have, indeed, just arrived in Myanmar, and a great many things are to happen during the rest of the visit. We will be alert to the latest events in connection with the visit of Cuban Foreign Minister Roberto Robaina to Myanmar.

Activities in Burma Detailed

FL1403024894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Mar 94

[Report by special correspondent Rey Rodriguez]

[Excerpts] Ohn Gyaw, the minister of foreign affairs of Myanmar [formerly Burma], today expressed to Cuban Foreign Minister Roberto Robaina his country's willingness to explore new channels of collaboration between the two countries. At an official meeting during the Cuban foreign minister's two-day visit to Burma, Ohn Gyaw spoke with Robaina about bilateral relations—which both termed good—and about projects of common interest, which are to be studied. [passage omitted]

Robaina's visit, the first to Myanmar by a high-level Cuban official, is considered a reaffirmation of the relations of friendship maintained by the two nations despite the distance separating them. Today Robaina had several meetings with government officials and visited several developing communities, as well as one of that country's universities. Tomorrow he will be received by the president [title as heard] of Myanmar, Than Shwe, after which Robaina will leave for Cambodia on the third leg of this trip through a number of Asian nations.

This has been a report by Rey Rodriguez from Rangoon, Myanmar, formerly known as Burma.

Asian Tour Activities Viewed

FL1103172694 Havana Radio Reloj Network in Spanish 1502 GMT 11 Mar 94

[Text] Having completed the required protocol, Cuban Foreign Minister Roberto Robaina and his Lao counterpart Somsavat Lengsavat had a friendly talk today on the changing international situation. Robaina and his delegation were given a warm welcome upon arrival at (Batai) airport in Vientiane. Robaina arrived from a visit to Indonesia and Thailand, which were the first stops on his tour through Asia.

Somsavat Lengsavat described the Cuban delegation's visit as a transcendental event that will allow both sides to bring themselves up to date on the situations of the two countries and explore all possibilities for cooperation in various spheres.

According to (Shi Tirak), Lao first deputy minister of foreign affairs, Robaina's visit will allow them to strengthen bilateral ties in all areas.

Tomorrow, Roberto Robaina is scheduled to meet with President Nouhak Phoumsavan and Prime Minister Khamtai Siphandon. Similarly, the Cuban delegation consisting of (Carlos Amores), advisor; Teresa Fernandez, deputy director of the Asia and Oceania department of the Ministry of Foreign Relations; and Cuban Ambassador to Laos Ricardo Danza Sigas will meet with the president of the Lao national assembly, (Saban Vinatek).

During his stay in Vientiane, Robaina will also meet with (Cambo Sonitai), leader of the Cuba-Laos Friendship Association. The delegation will continue its Asian tour, and their next stop will be Myanmar, formerly known as Burma, after which they will travel to Cambodia, India, Malaysia, and Vietnam.

Views Frei Inauguration

PY1103024794 Santiago EL MERCURIO in Spanish 24 Feb 94 p C2

[Text] Various representatives from the Cuban cultural field, among them singer Silvio Rodriguez, will attend Chilean President-elect Eduardo Frei's inauguration on 11 March. This was confirmed by Cuban Foreign Minister Roberto Robaina.

Robaina said we have not received official invitations for the Cuban Government and authorities. He disclosed, however, that singer Silvio Rodriguez; the House of the Americas director, poet Roberto Fernandez Retamar; and Latin American Studies Center Director Luis Suarez have received personal invitations to the event.

In comments to ANSA, Robaina said: "We hope it (Chile) will continue on that path."

The foreign minister said Cuba respects the way the Chileans have handled the presidential inauguration and reiterated that Havana is in no hurry to resume ties with Chile.

Chile and Cuba broke diplomatic relations on 11 September 1973 after the bloody military coup against constitutional Chilean President Salvador Allende.

The two countries resumed relations at a consular and commercial level in 1991, as a prior step to the definite normalization of their bilateral relations.

Ambassador Minimizes UN Human Rights Resolution

PA1103162294 Madrid EFE in Spanish 1410 GMT 8 Mar 94

[Text] Geneva, 9 Mar (EFE)—Cuba will not give the UN Human Rights Commission's resolution adopted today, Wednesday, "more importance than what it truly deserves because it is not the result of true concern for the human rights situation but of the obstinacy of the United States. That country's insistence on getting us to sit on the defendant's bench leads to the same vicious circle every year," Jose Antonio Perez Novoa, the head of the Cuban delegation at this commission and the Cuban ambassador to the UN European office, stated.

The Cuban diplomat considers that the apparent concern of the United States and the countries which, almost always due to pressure, echo such "an immoral manipulation of human rights with political objectives, do not worry us in the least. Those concerns are not legitimate because they come from a country that is incapable of satisfying the most basic rights of its people and attempts to make another country yield through hunger," Perez Novoa asserted. He also questioned "the United States' concern for democracy" because "that country has financed, supported, and helped the most repressive regimes and the most brutal dictatorships."

According to the Cuban ambassador, the resolution "does not worry us because Cuba's only concern is the complete and absolute development of the Cuban people, as it will allow us to guarantee the rights we won a long time ago and above all to maintain the independence and sovereignty we achieved in 1959."

In Perez Novoa's opinion, "it would be absurd to purport that the United States end this farce because it has ended the criminal blockade it imposed on Cuba, alleging that this small Caribbean island represented a Communist threat."

Cuba—added the diplomat—will never refuse dialogue and cooperation on a truly impartial and objective basis with due respect to sovereign equality. It will not accept impositions that only seek to satisfy the whims of the hegemonic power of the latter part of the 20th century. "We are a free, sovereign country with the right to choose our own road and find our own solutions to the problems we confront. This right, this sovereignty, and this independence will never be negotiable," for a country that "after being a colony of slaves is today an honorable and independent country that will never surrender," Cuban Ambassador Perez Novoa asserted.

Human Rights Official Comments on U.S. Blockade

PA1103182994 Havana Radio Havana Cuba in Spanish 0100 GMT 8 Mar 94

[Report on interview with Vilma Nunez, president of the Commission for the Defense of Human Rights in Central America, by Beatric Padron; place and date not given; from the "Evening Information Review" newscast]

[Text] The Commission for the Defense of Human Rights in Central America [Codehuca] has denounced in Geneva the ongoing U.S. blockade against Cuba as a vile aggression on an entire nation.

Vilma Nunez, president of Codehuca and of the Nicaraguan Human Rights Center, has traveled to Geneva to participate in UN Human Rights Commission sessions to expound on the current situation of those rights in the Central American region.

Nunez discussed this and other related issues with Radio Havana Cuba.

[Begin Nunez recording] With regard to the human rights situation, there exists what we might call a news embargo at the international level. The international media are telling the world that there is peace in Central America and that human rights are not being violated, but this is not true. Human rights violations remain part of the official policy of many governments. There are other cases. For example, in Nicaragua, Panama, and Costa Rica, neoliberal policies are pushing our people into poverty. This is taking place as part of a pattern of economic repression. The implementation of this policy, whether speaking in practical terms or in terms of human rights, comprises a systematic violation of economic and social rights. Neoliberal policies are pushing most of our people into poverty. [end recording]

One of Codehuca's strategic objectives is to mobilize its nongovernment member-organizations in defense of the Cuban people's self-determination and sovereign rights.

[Begin Nunez recording] We have asked nongovernment organizations that have the opportunity to speak at international forums, and particularly at the United Nations, to try to denounce the blockade as the main source of human rights violations in Cuba. Cuba is the only Latin American nation that has been able to produce specific achievements in the field of economic and social rights. This must be recognized and firmly pointed out. This is what we are promoting. We are also looking for ways to promote standard international laws and human rights in order that third-party countries may be considered violators of human rights in other nations.

Governments violate the human rights of the people in their own countries. In terms of the law, it is unimaginable that a foreign country be allowed to violate the rights of people in another country, but in this case we find that the Cuban people's limitations and the deterioration of their health and educational services are not the product of the will of the Cuban Government but, rather, the result of an action by an arrogant government—namely, the United States. We want to find legal mechanisms in order that the U.S. Government may be condemned as a human rights violator. Through its actions, this government is not only violating Cuba's right to sovereignty and self-determination, it is acting against 11 million Cubans. [end recording]

At the end of the interview, Vilma Nunez spoke about what she has seen in Cuba.

[Begin Nunez recording] I have been able to see firsthand that the situation is difficult. I have also seen, however, that although the people sometimes appear to be tired, the majority of them are optimistic and dedicated to continuing their struggle. It is painful to be continually asked to continue struggling. In Nicaragua, we sometimes go through this experience. We are always being asked to continue struggling, but not to be discouraged. This is what we are telling the Cuban people: Do not be discouraged. Things have to change. We have to find ways to change things. They must realize that they have a responsibility, not only to their own future generations, to their own children, and their own grandchildren, but also because Cuba remains the only hope for the free people of America. [end recording]

Guadeloupe Trade Envoys See 'Positive' Outlook

FL1103203694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Mar 94

[Text] Following meetings at the State Committee for Economic Cooperations, the Ministry of Foreign Trade, and other economic organizations and institutions, preliminary assessments allow us to assure you that the Cuba-Guadaloupe trade meeting is already showing very positive results.

[Begin recording] [Reporter Julia Mirabal] In the first place, as regards financial matters, Mr.(Max Vincent), cochairman of the delegation, says:

[(Vincent), in French] ...and, (?as I said), the French Government is to sign, no doubt within the next (?month), an agreement to guarantee investments. Consequently, regarding investments, theoretically there should be no problems; and the heads of companies are currently working on the matter of exchanges.

[Mirabal] There are also other results.

[(Vincent), in French] ...(?create), on the basis of this first contact, is, on the one hand, to (?have) the heads of companies (?attend) the fair to be held in Santiago de Cuba and, based on that exchange, set up a network of relations that will permit us to create, on the basis of that undertaking, the need and the desire to come work in Cuba.

[Mirabal] One of the steps toward contributing to Cuba's communication with that part of the Caribbean is the establishment of weekly flights; heretofore, they have been sporadic.

[(Vincent), in French] Why? Because the potential for Guadeloupe companies, on the level of both tourism and trade, is very great.

[Mirabal] At the end of this brief dialogue, I asked Mr. (Vincent) a question to which he responded in Spanish.

[(Vincent)] We feel that all the Caribbean Basin countries are brothers, like the fingers of a single hand, and that they should work together for the well-being of their peoples.

[Mirabal] This has been Julia Mirabal reporting on the Cuba-Guadeloupe meeting. [end recording]

Spanish To Help Train Technicians, Teachers

FL1203190794 Havana Radio Reloj Network in Spanish 1507 GMT 12 Mar 94

[Text] The universities are going to train technicians in materials-efficient construction. Spanish experts in building materials-efficient housing are in Santiago de Cuba, where they will spend three days implementing a training program to turn out professionals who have mastered the technique. Eduardo Hernandez, head of the habitat commission of the nongovernmental organization (Sur) and Inez Sanchez, the representative in Cuba of that Spanish institution, exchanged views with the people of Santiago on the importance of moving forward in that specialized field.

Graduate-level courses on restoration and materials efficiency in housing construction will begin in Cuban universities at the end of this year. The courses will last 15 days. It is hoped that, nationwide, some 500 technicians and 50 teachers will be trained in two years.

General Visits Guantanamo Border Brigade

FL1203025594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 12 Mar 94

[Text] Division General Ulises Rosales del Toro, Politburo Member and chief of the Armed Forces General Staff, has visited Guantanamo defense zones and said that the troops' fighting readiness to defend the fatherland is at the level appropriate to the areas bordering the Guantanamo Naval Base.

Gen. Rosales del Toro said that this readiness, in addition to political and other measures, has considerably reduced the illegal departure attempts through the area bordering the Yankee base:

[Begin Rosales del Toro recording] We have managed to make this element understand the risks they are running in trying to cross through a densely mined area because this represents a risk to their lives. I believe this situation provides guarantees to prevent menacing situations. We hope this situation will continue improving within the next few months. [end recording]

This shows the high-level political and moral situation prevailing in the areas bordering the naval base. Yesterday, a delegate from this area reported that the active participation of the people has helped to abort illegal departure attempts through this sector.

In a border brigade unit, Rosales del Toro warned leaders of the Union of Young Communists in the five eastern provinces to continue improving the selection of young individuals who render their general military service near the enemy:

[Begin Rosales del Toro recording] We hope the border will become a symbol for the youth of current times.

Those who are deployed to the border area must therefore be true representatives of our young people. [end recording]

Editorial Views U.S. Customs Response to Caravan

FL1203171794 Havana Radio Rebelde Network in Spanish 1255 GMT 12 Mar 94

["Our Opinion" station editorial by Orlando Contreras]

[Text] The activists of the U.S.-Cuba Friendship Caravan arrive in Havana this afternoon, after having successfully dodged more than a few difficulties during the caravan's gigantic tour, from the time it began in Canada and several different points in the United States until it crossed into Mexico and loaded onto a ship the 140 tons of medicines, foodstuffs, and other products valued at some $3 million. As we have said on several occasions, this solidarity assistance does not solve our problems; it is, however, a gesture of enormous human value, which our people appreciate.

I think it only fair to point out that this time the U.S. Customs authorities in Laredo did not give the caravan as hard a time as they did last year; although one piece of equipment was stopped, no particular desire to obstruct the passage of the caravan was observed.

In the same way that we do not economize on words criticizing hostile actions against our country on the part of the profuse [profusa] U.S. Administration, we point out this fact, which in essence also constitutes a change from preceding years.

Other interpretations of this conduct on the part of Laredo Customs could be made, without there being a direct cause-and-effect relationship. It appears evident that as the conviction that these are not times for blockades and that such museum pieces of symbolism do no one any good gains ground in U.S. political and business sectors, it has little by little been turning into a de facto presence and a call to be realistic.

Nor can the fact that, for some time, not a few administration officials have not been in favor of the embargo—as they call it in North America—be (?omitted from) the analysis.

This U.S-Cuba Friendship Caravan, whose activists arrive this afternoon and will later travel to several provinces to symbolically present the shipment arriving next week, has also contributed to the determination to open the blockade progressively. It is obvious that such a political decision on the part of the Clinton administration will not be adopted tomorrow. However, the price—also political—of not taking these factors into account could become significant.

Participant Views 'Oil for Cuba'

FL1403032894 Havana Radio Reloj Network in Spanish 0300 GMT 14 Mar 94

[Text] Next May, the Mexican organization "For Cuba" [Va por Cuba] will send a third shipment that includes over 80 tons of lubricating oil, in defiance of the U.S. embargo [embargo] of our Caribbean island. The "Oil for Cuba" campaign is in its final phase, we already have a figure similar to last year's, and the donations continue—said (Rodolfo Echevarria), representative of [words indistinct], who arrived in Havana along with over (?250) members of the third Pastors for Peace caravan.

In a wheelchair because of his progressive neurocerebral affliction, Echevarria reported that in the past, the "For Cuba" group has sent to the island shipments of lubricants totalling 175 tons. The organization this time contributed six tons of medicines, school supplies, powdered milk, and other articles to the Pastors for Peace campaign.

Trade Unions Leader Admits Economic Inefficiency

PA1303044294 Hamburg DPA in Spanish 1834 GMT 12 Mar 94

[Text] Havana, 12 Mar (DPA)—Pedro Ross, leader of the governmental Central Organization of Cuban Trade Unions, CTC, admitted today that the problem of economic inefficiency aggravates the island's critical situation.

"Economic efficiency is the solution to many of the Cuban problems that stand in the way of attaining a stable future and a more rapid way out of the island's difficult financial situation," Ross, also a member of the Communist Party of Cuba's Politburo, said.

Cuba is experiencing a serious economic situation, the most serious since 1959, due to the dismemberment of the Soviet Union and the Eastern European bloc. In addition, Cuba's standard of living has declined due to shortages ranging from fuel and energy to food and consumption goods. Speaking to the morning newspaper GRANMA, Ross reported on ideas and proposals that arose from the so-called Workers Parliaments, which are being held in almost 80,000 places of employment, on the country's economic crisis and how to cope with it.

According to government sources, the results of these meetings will be considered for a special session of the National Assembly (Parliament), the date of which has not yet been set, to discuss other economic reforms.

Ross confirmed both measures to improve efficiency in each labor center and the general economy have been discussed during these debates in plants and offices, debates which will end on 16 March.

He admitted, however, efficiency must be closely linked to internal finances, on which a number of proposals, including tightening control on the country's resources, were presented.

He also said the nearly 3.5 million workers repudiated theft, carelessness, dilapidation, illegal acquisitions of wealth, and people who profit from the population's needs.

The government-run magazine BOHEMIA admitted recently the underground economy, or black market, whose operations reached incalculable levels last year, draws mainly from state supplies and enterprises.

Although Ross also admitted the existence of contradicting criteria on tax measures, he said there is a general consensus on the need to protect essential services such as health, education, and social security.

After reporting most of the workers regard it as necessary to eliminate certain free services and subsidize people rather than products, Ross said the latter measure inflicts yearly losses worth 4 billion pesos on the island economy. (The peso is equivalent officially to the U.S. dollar, although on the black market one dollar equals 100 pesos).

Ross mentioned certain probable measures that will be established in the immediate future, such as higher prices on nonessential articles, such as rum and cigars, but with controlled distribution to try to counter a monopoly.

Criticizing strongly union leaders and workers, Ross said he confirmed a general lack of information about how much the country must pay to buy specific products abroad. People are also unaware that the prices of certain products are still the same as 20 or 30 years ago, when the cost of raw materials was lower.

He said after concluding the Workers Parliaments, the proposals will start to be debated in the country's 14 provinces on Thursday and that on 29 March the CTC National Committee's plenary will devote its session to a debate on this subject.

The probable measures to be debated in the National Assembly's special session include cutting state subsidies, reducing the labor force, and introducing an income tax system.

Roundup of Economic Activity

FL1203025694

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 8 and 12 March.

Radio Reloj at 2030 GMT on 8 March reports that the Efrain Alfonso Brigade from Villa Clara has reached 2 million arrobas of cane, cut during the current harvest. This brigade has thus been granted the Giron Victory Flag for this achievement. This is the second brigade to reach 2 million arrobas. The national secretariat of the Cuban Workers Federation has sent a congratulatory note to this organization, which is committed to cutting 3 million arrobas of sugarcane during the current harvest.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 9 March reports that approximately 60 sources are being developed in Holguin to obtain energy. Great progress has been achieved in using nonconventional energy sources in this province, following national guidelines for energy production, one of the two most important programs in the country. In Holguin there are currently 458 windmills, 48 biogas plants, 21 minihydroelectric dams, and three hydraulic dams, while in 1989 there were only five energy sources.

Radio Rebelde at 1000 GMT on 9 March reports that the Ministry of Construction is at present doing remodeling and expansion work at eight airports with a view to contributing to developing Cuba's tourism infrastructure, and hopes to finish the work in 1994. The work is being done at the Jose Marti, Varadero, Ciego de Avila, Camaguey, Holguin, Manzanillo, Santiago de Cuba, and Cienfuegos airports. Work is also being done on landing strips used by tourists in Cayo Coco, Santa Lucia, and Mayajigua. More than 14 million pesos will be invested in these construction works.

In the same newscast, Radio Rebelde reports the members of the Eliseo Camano Agricultural-Livestock Cooperative located in Piloto, Consolacion del Sur Municipality, Pinar del Rio Province, have finished the tobacco planting in 18 of the 20 caballerias planned for the current campaign. The coop's president said the coop expects to harvest a record 5,000 quintals during the current harvest. The tobacco campaign is going extremely well in general in the province.

Radio Rebelde also reports that a new therapy room with a 12-person capacity has been inaugurated at the general hospital in Baire, on the Isle of Youth. The installation has the latest technology and qualified, experienced personnel. An emergency intensive-care room and a cardiovascular-care room with sophisticated equipment and specialists of great professional prestige also became operative.

Radio Reloj at 1500 GMT on 10 March reports that sugarcane planting is increasing in Las Tunas province. Spring sugarcane was already planted on 140 caballerias, while 70 more caballerias are ready for planting. At the provincial level, some 940 caballerias are already in production, while the objective is to reach some 1,800 caballerias.

Cuba Vision Network at 2320 GMT on 11 March reports that the brigade of voluntary canecutters who work at the Orlando Gonzalez sugar complex in Ciego de Avila has sent a letter of response to Army General Raul Castro

Ruz who congratulated them for reaching the first million arrobas of cane cut. Raul Castro praises the workers and urges them to increase production.

Radio Rebelde at 0000 GMT on 12 March reports that the Steelworking Industry, the Sime, plans to build some 200 train-buses [trenbus] in 1994. Jose Aranaburo, vice minister of the Steelworking Industry, said that in 1993 the country had no financial resources to build these train-buses, but that Sime managed to build 10 with its own resources. This year, however, this company intends to build some 200 train-buses to be used in Havana.

Haiti

Sansaricq Blames U.S. Spokesman for Senate Conflict

FL1103230894 Port-au-Prince Radio Metropole in French 1700 GMT 11 Mar 94

[Text] Senator Bernard Sansaricq has reacted to the position of the U.S. spokesman on the conflict in the Senate. Senator Sansaricq warned the American diplomat against interference in Haiti's affairs. Bernard Sansaricq accused the U.S. spokesman of trying to stir up the crisis in parliament for unknown reasons:

[Begin Sansaricq recording] The office especially reminds Mr. Schrager of the formal provisions of Article 41 of the Vienna Convention and of Article 56 of the Haitian Constitution. Furthermore, the office makes a point of comparing the intentions of the nation with those of the international community, wrongly informed that in compliance with Article 108 of the Constitution, the Upper Chamber has definitively solved the problem of the 18 January elected senators who resumed their activities as full senators and whose powers have been validated.

The assembly of senators has indeed overwhelmingly decided to contest that matter:
1. By denouncing the New York pact.
2. By dismissing the office [not further identified] irregularly acclaimed on 10 August 1993 under direct pressure by Dante Caputo and Leandro Despuy.

As a consequence, the office would like the immediate suspension of all insinuations, statements, or provocations that worsen the situation of conflict for the benefit of unrevealed interests.

[Signed] Bernard Sansaricq, president of the Senate. [end recording]

Deputy Blames U.S. State Department

FL1103222394 Port-au-Prince Signal FM Radio in French 1130 GMT 11 Mar 94

[Text] In reaction to the parliamentary plan approved by the lower chamber, National Front for Change and Democracy Parliamentary Bloc [BP-FNCD] President, Deputy Fignole Jean-Louis, says this plan was developed at the initiative of the U.S. State Department. He holds the U.S. Government responsible for the current situation in the country:

[Begin Jean-Louis recording, in Creole] All the actions being taken by my colleagues, including deputies and senators, have been dictated by the State Department. We know this very well. The State Department has already forced the parliament, including deputies, senators, and the president, to take a number of measures such as—you recall—the Washington agreement. These same men had the president sign it, and got the parliament involved. Once we arrived here, they gave us no support for voting on the agreement, which could have ended the crisis.

Second, they had us go to Governors Island, then in an underhanded manner, sabotaged the Governors Island Agreement. Consequently, it could not be implemented. They had us participate in the New York pact for the normalization of parliament, then encouraged the 18 January parliamentarians to create all the disturbances you now see going on. You know what happened in the Senate on 9 March. [end recording]

Weapons Enter Conflict; Senator Advises

FL1103235794 Port-au-Prince Radio Metropole in French 1145 GMT 11 Mar 94

[Passages in italics in Creole]

[Text] Regarding the conflict in the Senate of the Republic for control of the presidency, Senator Bernard Sansaricq has revealed the initial elements in an investigation of the management of the quaestorship of the rival office. The main target is former quaestor Sen. Julio Larosiliere who is today accused of embezzlement. According to Edner Jean, it is in fact the new weapon being used in the battle between the senatorial blocs. Let us listen to his report:

[Begin recording] [Jean] It is a cynical and macabre game that is currently being played in the Senate of the Republic in which any type of blow is allowed, featuring the bid for power that took Bernard Sansaricq to the head of the Senate and Firmin Jean-Louis' attempt to get his seat back. Since then, the attacks and counterattacks have been launched from both camps. On 8 March, when armed civilians showed up to support the office of Sen. Sansaricq, the battle for power took a definitive new turn: the dialectic of weapons.

Today this Indian-wrestling match appears to be a settling of scores between the two quaestors, Julio Larosiliere, who cut off the means of subsistence to senators of the GARD [Action Group For the Recovery and Defense of National Sovereignty] and Osny Eugene, whose signing right is no longer recognized by the Ministry of Finance.

Meanwhile, to occupy his time, the quaestor of the Sansaricq office has involved himself in an investigation into the management of Sen. Larosiliere. On 10 March, during a news conference, Osny Eugene presented the first elements in this process. His control of the accounting and management of the Senate of the Republic will allegedly prove that Julio Larosiliere practiced embezzlement of the quaestorship funds. It should be noted that this is not Osny Eugene's first revelation on this matter. Just to show that he will give no gifts to his main opponent in this clan warfare, Osny is attacking Julio through his previous positions.

[Eugene] *Sen. Larosiliere says that we do not respect the New York pact. I would like him to tell us whether he respected the CEP [Permanent Electoral Council] Act that he signed, the same CEP to which he appointed his cousin as treasurer. I would like to ask him if he respected the act of validation of power of the 18 January senators. Today, for personal reasons, he no longer recognizes them. I would like him to confirm that he respected his own signature before he asks us today to respect ours. Now, if he recognizes that he did not respect his signature, he must find the courage to come to the session room, resolve the conflict that he has with us, and agree that from now on we establish the rules of the game and respect the same principles for all. It is not a matter of questioning this office.*

This office has been legally elected. This office has not been acclaimed. They [not further identified] will come as simple senators and defend their viewpoints and simply continue with their mandate. They have no other choice.

I must tell you that I strongly wish that Sen. Larosiliere would take the necessary steps for once because ever since Sen. Larosiliere has been quaestor, he has never submitted a report on financial operations, nor on the institution's file, since August 1991.

[Jean] Meanwhile, the most senior member, Sen. Franck Leonard, who has acknowledged the antagonistic offices, attempts to call the wise, quote, to reason, unquote.

[Leonard] *I met with Jean-Louis' office, and I met with Sansaricq's office. My words are words of wisdom. I am working so brothers who are separated over some triviality, some quarrel, can again speak to each other.*

[Jean] What are your hopes, Senator?

[Leonard] My hope is that the country can move forward. I am trying to reconcile everyone. [end recording]

[Jean] Here is a Haitian mediator in a Haitian crisis. However, to carry out his mission, Sen. Leonard will need not only determination, but nerves of steel. [end recording]

Deputy Desjardins on Army Acceptance of Plan

FL1103203494 Port-au-Prince Signal FM Radio in French 1130 GMT 11 Mar 94

[Excerpts] The Haitian Army may support the plan proposed by parliamentarians to get the country out of deadlock, despite the reservations of General Raoul Cedras, according to Deputy Jean Eddy Talendier Desjardins of Tiburon. He thinks that one of the reasons for Haitian President Jean-Bertrand Aristide's rejection of this plan is supposedly that it was going to be approved by the Army. Daly Valet interviewed Desjardins:

[Begin recording, in Creole] [Desjardins] I am not disappointed, because I was there; I experienced all the events and I knew Aristide would not agree. That is the reason we entered here especially to meet with the Army because you know you have [changes thought] this plan involves [preceding word in English] the Army too. So (?we wanted) to see whether the Army would not agree as well; but we knew that Aristide would not agree. The reason is that most of the time Aristide agrees with what he believes the Army will not accept and disagrees when he feels that the Army will agree. Perhaps—feeling that the Army would agree with the plan even if it does not agree now, that it will eventually agree with the plan—Aristide will not, that is all.

[Valet] What is your position concerning the Army? It is said that the Army has reservations regarding this plan. What is your stance?

[Desjardins] Yes, it says he has reservations, but it does not say it does not agree. I represented—I do not say I unofficially represented the Army, but as a National Cooperative Action Movement deputy, they present me as a neo-Duvalierist—I realized that my duty was to defend the Army because.... [pauses] It is always said that the Army of a country is that country's honor. I know that if I criticize the Army, I automatically criticize my country. So I was obliged to defend the Army. [passage omitted]

[Valet] As for Gen. Cedras' departure: Do you think the Army agrees or, at least, as you say you are close to the Army, do you think the Army has consented to the general's departure?

[Desjardins] I do not say that I am close to the Army. I said that I am a member of the 30 September [1991] family. So, if I am a member of the 30 September group, this automatically means that I am part of the Army. I cannot tell you that Gen. Cedras has agreed with it 100 percent; but I believe that if he studies the plan and identifies with it, he will agree. [end recording]

Deputy Refutes REUTERS Report on Meeting

FL1103203394 Port-au-Prince Signal FM Radio in French 1130 GMT 11 Mar 94

[Text] In a news release, Chamber of Deputies President Frantz Robert Monde deplores the carelessness with which Arthur Spiegelman of REUTERS reported on the 1 March meeting of the delegation of Haitian parliamentarians Frantz Robert Monde, Duly Brutus, Jean-Eddy Talendier [Desjardins], and Dr. Antoine Joseph with the Army high command.

For the record and as president of the Chamber of Deputies and president of that delegation, Bob Monde makes a point of explaining that Deputy Joseph Lambert, who was quoted by (Spiegelman) as the source who provided information, was not part of the delegation and was not present at that meeting; that Colonel Dorelien's intervention simply hinted at civil war if the parties do not decide to find an acceptable solution to the crisis; and that General Cedras—despite his reservations and questions—stated during this meeting that he is not attached to the post of commander in chief and that the sacrifice of his career is conditioned on guarantees for the institution he heads and for improved living conditions for the Haitian people who have been so harshly afflicted by the embargo.

Monde went on to say: As president of the Chamber of Deputies, I have decided to continue dialogue with all sectors interested in [finding] a solution to the crisis, especially with the high command of the Haitian Armed Forces, whose flexibility I could test during this meeting. This is signed by Frantz Robert Monde, president of the Chamber of Deputies, and dated 10 March.

Mercosur To Negotiate NAFTA Entry as Bloc

PY1103213694 Madrid EFE in Spanish 2012 GMT 10 Mar 94

[Text] Buenos Aires, 10 Mar (EFE)—Argentina, Brazil, Paraguay, and Uruguay—the countries that are partners in the Common Market of the South (Mercosur)—have decided to ratify that they will negotiate as a bloc their possible joining of the North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico.

Argentine Foreign Minister Guido Di Tella said that the decision "is the most important political fact" in the meeting of the ministers of economy and foreign affairs of the Mercosur countries, which ended today in Buenos Aires.

"There are ways to make Mercosur compatible with NAFTA, and this is what we are studying," Di Tella added.

The deliberations in Buenos Aires seem to have given definition to the Argentine position, which at one point was considering the possibility of unilaterally joining NAFTA upon invitation by the United States.

The Mercosur countries will now study how to reactivate the negotiations known as "four plus one," begun two years ago, that aim at approaching the North American commercial bloc.

The Mercosur ministers also agreed to study all the options for promoting broad regional economic integration, on the basis of a Brazilian proposal to create the South American Free Trade Association (ALCSA).

The ministers avoided, however, resuming discussions on the Mexican decision to refrain from extending the concessions obtained within NAFTA to the other Latin American countries, diplomatic sources have said.

The matter, which has been a source of conflict, has been awaiting resolution since the last Latin American Integration Association (ALADI) meeting held in Montevideo in February.

The proposal to create ALCSA, which was raised in October 1993, was formally presented to the Mercosur ministers by the Brazilian ministers of finance and of foreign affairs, Fernando Henrique Cardoso and Celso Amorim respectively.

Cardoso told EFE that the initiative "does not go against anybody, and seeks to preserve the Latin American bloc and strengthen regional commerce," thus denying that it is an attempt "to put the brakes on a commercial invasion" by NAFTA members.

Brazil, South America's most developed country, sells 13 percent of its exports to Mercosur and 8 percent to the other South American countries.

Cardoso said that his country has not considered the possibility of joining NAFTA "because we cannot take the initiative; we have not been invited."

"The idea is to promote commercial liberalization, but always on the basis of the consolidation of Mercosur as an institutional structure and as an organization for joint negotiations for the entire continent," Uruguayan Foreign Minister Sergio Abreu said.

Uruguay maintains that "everything is compatible, provided the obligations assumed under Mercosur are complied with and provided there is a common foreign policy toward third countries."

The Brazilians proposed that the South American Free Trade Zone come into operation 10 years after 1 January 1995, the day when Mercosur will become fully operational. Mercosur is considered the "nucleus" of the integration process.

This means that Mercosur commercial policies should be coordinated with those of the Andean Pact, which is made up of Bolivia, Colombia, Ecuador, Peru, and Venezuela, and with Chilean policies.

The Mercosur area has a population of 190 million people, with a gross domestic product equivalent to slightly more than 50 percent of Latin America's total GDP.

Official: Chile 'Natural Candidate' for NAFTA

PY1103170994 Santiago EL MERCURIO in Spanish 2 Mar 94 p C3

[Excerpts] Victor Manuel Rebolledo, the minister secretary of government designate, yesterday pointed out that U.S. authorities are favorably disposed toward incorporating Chile into NAFTA.

"The time is ripe for the Clinton administration to propose that Chile join NAFTA and for the U.S. Congress to put the approval of such a proposal on the 'fast track' [preceding two words in English]," he stressed.

Rebolledo explained that pursuant to U.S. domestic regulations, the executive branch must submit for Congress' approval the names of the countries with which the United States intends to sign a free trade agreement.

He moreover stated that both nations might initiate negotiations on this issue during the second half of this year.

In any case, the minister-designate—a PPD [Party for Democracy] deputy at present—asserted that Chile is deemed the "natural candidate to sign a free trade agreement with the United States."

Rebolledo reported that this was one of the main achievements of the recent trip he made to the United States at the invitation of the U.S.-Chilean Chamber of Commerce.

Besides his scheduled activities with U.S. businessmen having an interest in Chile, Rebolledo took advantage of his stay in the United States to meet with government officials. [passage omitted]

Upon being asked about a possible visit to the United States by Eduardo Frei Ruiz-Tagle once he assumes office as president, Rebolledo noted that in order for the new president to do so, he needs to be officially invited by the U.S. Government first.

Notwithstanding this, he said that in view of what he noticed during his contacts with U.S. Government officials, the Clinton administration might "be planning to have the president visit the United States during the course of this year." [passage omitted]

Rebolledo further stated that U.S. Vice President Al Gore has proposed holding a hemispheric summit meeting during the second half of this year which would be attended by all the heads of state from the Americas.

He remarked that he hopes that Chile will be able to play an important role both in the arrangement and the development of this summmit.

Camacho Advocates 'Reconciliation'

PA1203004394 Mexico City Radio ACIR Network 2232 GMT 10 Mar 94

[From the "ACIR Radio News" newscast]

[Text] During a news conference held at approximately 1530 in a Mexico City hotel, Manuel Camacho Solis, commissioner for peace in Chiapas, said he has kept his interests focused on the reconciliation efforts so far. He also said he had not thought about changing his political plans until he finishes this mission, but political pressures have forced him to change these plans. In this manner, Manuel Camacho Solis said he does not accept any criticism of the actions or work he has carried out as a public statesman.

[Begin Camacho Solis recording] It is being said that if Camacho makes a rival decision, he will accept the interests of the Institutional Revolutionary Party. No one, however, stops to consider that some of the programs he led in Mexico City continue to be supported by a majority in the federal district. I do not accept that some people want to make me a factor to explain the inefficiencies of others. Camacho has shown loyalty to the president of the republic, and he is [word indistinct] in the tasks that have been entrusted to him. [end recording]

Later on, the peace commissioner clarified doubts on what is being said regarding his possible candidacy to the president of the republic.

[Begin Camacho Solis recording] Camacho will not be a problem so the candidacies can comply with their responsibilities of consolidating their campaigns and of showing their effectiveness to the people. The opening has always been there. Something I am not willing to do is to stop fully exercising my citizen's rights. [end recording]

In conclusion, Manuel Camacho Solis reiterated his decision to continue fighting to strengthen the democratic system in Mexico, and he emphasized that is his commitment.

[Begin Camacho Solis recording] I am not going to act under pressure or hastily. My task is to contribute to unity and to participate in the democratic transition of Mexico. What is the best way to do that? To be effectively loyal to the nation? That is the question.

One path that I think is the most advisable for today, is if everyone would support the IFE [Federal Electoral Institute] and COFIPE [Federal Code of Institutions and Electoral Procedures] reforms in such a way that the Agreement for Peace, Justice, and Democracy, which the political parties and presidential candidates signed, is duly observed, and if conditions are right so I can contribute to the guarantee of the democratic transition. After I fulfill my mission in Chiapas, my role will be to support the democratic transition in Mexico and to defend its results.

Another path is that if there is no progress toward democracy, if instead of agreements there is polarization, and if there is an effort to violate my rights as a citizen, then, after concluding my mission in Chiapas, I will make the necessary political decision for progress toward democracy and the promotion of Mexico's unity.

Nothing is more important to me than to maintain and strengthen Mexico's unity. There cannot be unity if one has to forgo interests; unity is derived by feeling confident about legitimate interests and by opening the doors of institutions to the demands of justice by Mexican society and people. In other words, a unity that does not exclude, but rather one that is based on peace, justice, and democracy.

That is my stand and that is the field in which I will work. Camacho will be a factor of reconciliation and stability, and he will be a useful component in the democratic transition. As I have done since 10 January, as of this moment, I am completely focused on my task of seeking peace in Chiapas. [end recording]

Cardenas: Camacho Can Run for Office on PRD Ticket

PA1203144794 Mexico City XEW Television Network in Spanish 0430 GMT 12 Mar 94

[From the "24 Hours" Newscast]

[Text] Cuauhtemoc Cardenas, presidential candidate for the Party of the Democratic Revolution [PRD], visited Nuevo Laredo, Tamaulipas, where he met with supporters of the political groups that back his candidacy. Cardenas Solorzano said emphatically that he would not object to having Manuel Camacho Solis run on the PRD ticket for the assembly seat for the district where he lives in the Federal District.

[Begin Cardenas recording] I would not object to his being a PRD candidate for a seat in the Assembly. [end recording]

Cardenist Candidate Criticizes Camacho

PA1203143094 Mexico City XEW Television Network in Spanish 0430 GMT 12 Mar 94

[From the "24 Hours" newscast]

[Text] Rafael Aguilar Talamantes, presidential candidate for the Cardenist Front for National Reconstruction [PFCRN], visited Leon, Guanajuato, and commented on statements made by Manuel Camacho Solis.

[Begin Aguilar recording] Today more than ever, and after hearing Camacho's Messianic words, I am more convinced that the PFCRN and its supporters must work hard to ensure a victory in the 21 August elections. With those illuminating statements he is asking the homeland to pay for services rendered and recognize him as a savior. He said this country will be democratized and that it will overcome its difficulties. We do not need transition governments. We need stable, constitutional governments that will govern for everyone. That is why I will repeat that Camacho showed his true colors today during the news conference. He showed himself to be a real fire-eater [traga fuego] who is plotting behind the curtains of the Presidential Palace. Beware. [end recording]

Deputies Accuse U.S. of Profiting From Conflicts

PA1203050294 Mexico City UNOMASUNO in Spanish 11 Mar 94 p 6

[Article by Jorge Octavio Ochoa]

[Text] Without any scruples or modesty, U.S. leaders attempt to take advantage of the current and future events in Mexico (such as the elections in August, the Chiapas conflict, and the illegal alien problem) to gain better political positions and more votes from their voters.

Rodolfo Bacerril Suaffron, president of the Chamber of Deputies Foreign Relations Committee, yesterday warned that the attempt to create an institution that would engage the northern neighbor in a "parallel count" of our elections would not only "confuse' the work of the international media, it is insulting and disrespectful to our government.

In all this series of "new attitudes" regarding serious problems such as illegal aliens, and internal matters, such as the elections, one can clearly see political interests by the opportunistic forces that are only seeking votes, alerted Jorge Tovar Montanez from the Popular Socialist Party.

Bucerril Straffon, who was interviewed separately, said quite annoyed that the mere pretension is "insulting" and demeaning because no nation can assume the right to create institutions to become the overseer of electoral rights, of human rights, and of the political rights of another nation.

But the worst part, he said, is that many of these proposals have been made by unscrupulous politicians who want to use whatever conflicts exist in Mexico to create trouble.

Tovar Montanez said that this is just one of the actions that the neighboring country is beginning to carry out to create signs of increased feelings of hostility in U.S. society toward Mexicans in an effort to justify its economic setbacks.

This announcement, together with the one about carrying out military exercises at the border near Ciudad Juarez, are events without precedent that are part of a global policy of meddling, the legislator said.

He stated: "Now they are announcing that in July there will be a meeting with the chiefs of state of the rest of America to discuss the suitability of structuring a military peace force for democracy and in defense of human rights. This is a very worrisome situation."

He concluded by saying that on the one hand they propose militarization and erecting metal walls, and on the other they want to supervise the domestic electoral process in the country of people whose human rights are criminally violated every day, and every time there is an illegal crossing of the border. This is a contradiction, he affirmed.

Baja California Offers Reward for Drug Trafficker

PA1103172794 Mexico City UNOMASUNO in Spanish 10 Mar 94 p 13

[Text] The Government of Baja California is offering a reward to anyone who gives information on Ismael Higuera Guerrero, alias El Mayel, an heir of the Tijuana Cartel, which controls drug trafficking activities in the area.

Governor Ernesto Ruffo Appel said that authorities are searching for Higuera Guerrero, a lieutenant of the Areliano Felix brothers, well-known drug trafficking bosses in the city of Tijuana, for his involvement in a shoot-out on 3 March in which four people were killed. The Baja California governor did not mention the amount of the reward, which will be discussed at the state's congress.

The Attorney General's Office [PGR] said yesterday that the best U.S. and Mexican narcotics agents will be part of a special group to fight drug trafficking activities on the border between the countries, where tons of drugs circulate.

Ruffo pointed out that Higuera is a key element in the shoot-out that took place between federal and state agents in a Tijuana shopping center, which resulted in four persons being killed, including Alejandro Castaneda, chief of the Federal Judicial Police [PJF]. Five agents were also injured in the incident.

According to the PGR, the shoot-out occurred when state agents and a Lebanese gunman were providing protection to Ismael Higuera Guerrero, well-known drug trafficking boss from that border city. The PGR added that the incident took place when members of the State Judicial Police (PJE) were escorting Ismael Higuera Guerrero, alias El Mayel, in a vehicle.

The PJF, which is investigating the activities of the Tijuana Cartel, initiated the pursuit of a vehicle in which El Mayel was allegedly traveling, which led the state judicial agents to shoot at the federal agents.

The Lebanese gunman, an unidentified man, Castaneda, and a PJE member who was protecting the alleged drug trafficker, were killed in the shoot-out.

The PGR said that the assistant state attorney general, Sergio Ortiz Lara, and the state prosecutor for special affairs were arrested by the federal authorities for their alleged responsibility in the incidents. According to the PGR, Ortiz ordered the federal agents to turn over to him one of the alleged drug traffickers, who was arrested following the shoot-out but was later released.

Even though Ortiz claims he is innocent, the PGR has denounced the involvement of certain state judicial police members with the drug traffickers, which could explain why the Areliano Felix brothers have not been arrested yet. Governor Ruffo Appel said he believes Orti is innocent because he says he has known him since childhood and he had no reason to get involved in drug trafficking activities.

Editorial Decries U.S. Move To Count Votes

PA1103192294 Mexico City UNOMASUNO in Spanish 10 Mar 94 p 2

[Editorial: "U.S. Oversight Is Unacceptable"]

[Text] Yesterday we informed our readers about another hostile position adopted by the U.S. Congress which, hiding behind AID, "expects to conduct a parallel and independent vote count during the presidential elections in Mexico." In light of this intention to oversee the elections, six parties represented in the Chamber of Deputies have unanimously condemned this sham. Legislators of the Institutional Revolutionary Party, the National Action Party, the Party of the Democratic Revolution, the Popular Socialist Party, the Cardenist Front for National Reconstruction Party, and the Authentic Party of the Mexican Revolution have not hesitated to point out that "it is one thing to accept foreign observers—because, whether or not we like it, the eyes of the world will be upon Mexico—but it is another thing to accept meddling by another nation."

The legislators' opposition to this move is legitimate. It is not possible to let the United States supervise our government, especially now that our government has made much progress in guaranteeing transparency in the elections. If the dependability of our electoral registry is as good or better than that of the U.S. electoral registry, if our election materials possess features that make them practically unforgeable, if steps have been taken to create a tribunal in charge of investigating electoral crimes, and if the presence of international observers is being permitted as long as these observers do not belong to or sympathize with any of Mexico's political parties, then any parallel vote-counting by another nation is unacceptable. What will be decided and done by the Mexicans can only be overseen by the Mexicans.

With this in mind, the position of U.S. AID and the U.S. House of Representatives Budget Committee makes no sense. Here, however, the situation that is emerging could be similar to that created by Representative Torricelli, who, armed with the sword of xenophobia, has launched himself against Mexico on many occasions. This type of attitude cannot be tolerated from a country that claims, at least in its public pronouncements, that it is a friend of Mexico.

Only two options are valid in the face of the sham being planned by AID and some members of the U.S. House of Representatives. One would be that the U.S. Congress recant and apologize to our Chamber of Deputies. The other is that the government of Bill Clinton allow the Mexicans to oversee the forthcoming U.S. elections in order that we may show the United States how to hold absolutely clean elections.

EZLN Commander Says 'No Agreements Signed'

PA1203035894 Monterrey EL NORTE (Foreign Edition) in Spanish 11 Mar 94 pp 1A, 12A

[Report by Juan Manuel Alvarado and Ignacio Nunez]

[Text] Somewhere in the jungle (Chiapas)—Subcommander Marcos has said the Zapatist National Liberation Army [EZLN] has not reached any agreement or negotiated peace with Peace Commissioner Manuel Camacho Solis; it has only participated in a dialogue. He noted that, although the peace commissioner for peace and reconciliation in Chiapas and Bishop Samuel Ruiz, mediator in the talks, have both said agreements, pacts, and understandings have been reached through negotiations, this is not true.

"The problem the (Indian Revolutionary Clandestine) Committee [CCRI] sees is that the government is saying agreements or pacts have already been reached, that an agreement was reached as a result of the dialogue in San Cristobal de las Casas, and that the only thing pending is its ratification, which is false," said subcommander Marcos, who headed the EZLN delegation at the negotiations.

"The committee simply appointed delegates to participate in a dialogue, not to negotiate. We attended the dialogue, presented the demands from the members of our organization, and received a reply. Based on that reply, the committee must decide the next step.

During an interview granted at an EZLN camp in the jungle, Subcommander Marcos said this confusion has delayed consultations with the Indian grass roots organizations. He added that creating false expectations about peace would not be fair. "It would seem that the only thing pending for a peace agreement is a signature, which is not the case. Peace is further away than one could imagine," he added.

He said the CCRI members will study the EZLN proposals and the peace commissioner's replies in the next few days. Then, they will evaluate both and will begin consultations in order to reach a consensus. Subcommander Marcos said the committee will also evaluate the delegates' conduct, and if anyone acted improperly he will be punished.

"That is the most serious problem right now. There have been no agreements or negotiations," he said. The government has presented it in this way with the obvious intention of forcing us up against the wall and accepting it."

When the dialogue meeting ended at the San Cristobal Cathedral, both Bishop Ruiz and Camacho Solis announced that 32 agreements had been reached, which only had to be ratified in order to sign a peace agreement. "This means that if the (EZLN) committees say they disagree with the reply or part of it, it will seem as though we are intractable, which could be their purpose," he stressed.

Asked why, contrary to the peace commissioner and the mediator, he looked upset the day advancements on the dialogue were announced. "We were upset by the way in which the situation was being presented, as if peace only depended on a signature, and that it was just a matter of having a few meetings," Marcos noted. "We were upset because throughout the dialogue we stressed the fact that we had no power of decision or negotiation, and this could create problems for us with our leaders. The problem was that we did not want to create false expectations in the civilian society. [no closing quotation marks as published]

"People could get the impression that an agreement had been reached, that the path toward peace was completely open, which could cause people to lower their guards or give up. We believe there are unfavorable conditions preventing a solution to the conflict. I am talking about other factors."

He warned that one of the factors that could extend the conflict is the aggressiveness of cattlemen and landowners. "Another factor is the way the government has handled the talks, giving the impression that everything has been settled," he added. "I am upset by the federal government's attitude, which gives the appearance of charity. I am disgusted with government leaders who are not complying with their duties of satisfying demands or organizing things correctly instead of conducting actions that seem charitable," he said.

Asked why he did not clarify the situation when a report was presented to the domestic and international journalists at the Cathedral, when the mediator also implied that the next step would be the signing of the peace agreement, he replied: "The signals you give to the peace process is very important. Therefore, if we insisted too much on that point, we could be portraying a warmonger attitude, and some people would say: They really do not want peace; they want war.

"We are letting the process continue according to our logic and our time. We did, however, make it clear to the mediator and the peace commissioner that no agreements had been signed."

Ruiz Says Chiapas Peace Talks To Resume in 2 Weeks

PA1203015394 Mexico City Radio ACIR Network in Spanish 0000 GMT 12 Mar 94

[Text] According to Bishop Samuel Ruiz Garcia, the second stage of the talks for peace and reconciliation in Chiapas will start in about two weeks. The purpose of this second stage is to sign the peace agreements.

Ruiz has been in the headlines because of the death threats he has received and the demands of certain San Cristobal de las Casas conservative groups' that Ruiz leave the San Cristobal de las Casas diocese. Ruiz said the meetings with the EZLN rank and file are in depth and serious. If this is so, the delegates would return in two weeks and the beginning of the talks would be announced 24 hours beforehand.

EZLN Begins Grass Roots Consultations on Accord

PA1103204694 Mexico City NOTIMEX in Spanish 1546 GMT 11 Mar 94

[Text] Mexico City, 11 Mar (NOTIMEX)— A Zapatist National Liberation Army [EZLN] spokesman said that the EZLN has reportedly begun consultations at the grass roots level regarding commitments made with the Mexican Government during the peace talks held in San Cristobal de las Casas.

Major Mario told local and international media that the EZLN talks have reportedly taken place at La Garrocha ranch and the Pathuitz ejido, located 30 and 40 km away from San Miguel, in Chiapas. Mario added that the EZLN Indian Revolutionary Clandestine Committee-General Command and Subcommander Marcos will reportedly lead the consultations with representatives of Indian and peasant communities nationwide.

During the consultations the EZLN and the Indian and peasant representatives will accept or reject the commitments made with the government to improve their living standards.

On 1 January the EZLN occupied four cities in the Chiapas highlands as they violently demanded solutions to the social hardships of Indians. The EZLN violent actions forced the Mexican Army to intervene.

At the end of February the EZLN and Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, reached a 34- point agreement to restore peace in Chiapas. This agreement must be ratified by the EZLN rank and file.

Chiapas Governor Acknowledges Climate of Tension

PA1303001894 Mexico City UNOMASUNO in Spanish 11 Mar 94 pp 1, 9

[Report by Betzy Villarreal and Juan de Dio Garcia Davish]

[Text] Chiapas Governor Javier Lopez Moreno has acknowledged a climate of tension prevails in this state and denied his government had any involvement in the murder of Mariano Perez Diaz, leader of the Emiliano Zapata Peasant Organization (OCEZ). He has also announced a special prosecutor's office was created to investigate the murder, reiterating "our hands our clean."

In San Cristobal de las Casas, residents of the municipality's poorest areas created a Unity Civic Front [Frente Civico de Unidad] in support of Father Samuel Ruiz Garcia, the diocese's bishop and mediator in the armed conflict. In Tuxtla Gutierrez, more than 5,000 people participated in a rally organized by PRI [Institutional Revolutionary Party] municipal leaders and Municipal Council President Julio Cesar Garcia to demand peace in Chiapas.

Meanwhile, the Zapatista National Liberation Army [EZLN] began consultations with its grass roots regarding the agreements reached with Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, during the so-called meetings for peace. Since 9 March representatives of different Altos de Chiapas communities have been going to the towns of La Garrucha and Pantehuitz, Ocosingo Municipality, to participate in the consultation to accept or reject the commitments the federal government has made in San Cristobal Cathedral.

Antonio Hernandez, a member of the State Council of Indian and Peasant Organizations (CEOIC), has said the group will ask for the abolition of the state government and the promotion of a provisional pact with the federal government to propose the overhauling of the state's territorial and political structure. Hernandez, who is also a state leader of the CIOAC [Independent Federation of Agricultural Workers and Peasants], has said: "They tell us we are crazy for making this proposal, but there is no other alternative due to the current Chiapas government's incapacity and lack of political commitment, something that was borne out during our march of 6 March when the governor refused to meet with us and sent us the police."

The state governor praised publicly Mariano Perez Diaz, who was an OCEZ leader in Chiapas' northern zone, and he denied the existence of a "witch hunt" or that a prize has been put on the head of anyone. "The masterminds and perpetrators of this crime will be punished in accordance to the law. This is an act of provocation," he has affirmed. In a ceremony held at the auditorium of the Government Palace in Tuxtla Gutierrez, Lopez Moreno has urged state residents "against affixing lightly blame beforehand or being prejudiced. Nobody will succeed in separating the state government from local Indian organizations."

In Simojovel, where Perez Diaz was buried, the governor has announced the creation of a special prosecutor's office, which the CEOIC will name. The governor has said the murder was regrettable, because Perez Diaz was an outstanding social activist. With Margarita Ruiz de Perez, widow of the peasant leader, present, Lopez Moreno has said his administration is opening its doors, because there is nothing to hide. There has been no complicity or illicit interests.

Relatives of the deceased peasant leader have said Simojovel Council President Francisco Meneses Bassoul paid gunmen to kill Perez Diaz. They have also said there will be a march to demand justice and punishment for the masterminds and perpetrators of the crime. Mrs. Perez has said her husband had received death threats from Peasant Torch Oraganization and people from the village of Concepcion de los Cacaos, Simojovel Municipality, headed by his compadre, Sosimo Vasquez, with whom he had differences regarding land.

In San Cristobal de las Casas, a pro-Bishop Samuel Ruiz Garcia Unity Civic Front was created. The group has decided to remain united to oppose those who want the clergyman to leave. They have said the bishop has helped them more than any coleto (San Cristobal de las Casas native) and felt it was unfair to accuse him of being responsible for the problems that began on 1 January.

PRI supporters from different low-income areas of the city have also held a demonstration in Tuxtla Gutierrez to protest what they regard as the "stamping on of the constitution" of the state. More than 5,000 people came out in favor of restoring peace in Chiapas.

CIOAC leader Hernandez has said the CEOIC will seek to meet with President Carlos Salinas de Gortari to ask him to keep the commitments he made with the 280 groups that comprise that organization. He recalled later on 13 and 14 March the National Meeting of Indian and Peasant Organizations will meet in San Cristobal de las Casas to draft "a coordinated plan to demand the dissolution of the Chiapas government to establish a supreme government of Indians and non-Indians."

Domingo Lopez Angel, leader of the Community of People Expelled from Chiapas [Comunidad de Expulsados de Chiapas], has said his group will abstain from taking over additional state buildings as a gesture of goodwill to contribute to peace.

Meanwhile, peasant groups still control the municipal president's offices in Bella Vista and Sultepec in Chiapas Sierra Madre. The offices of the mayor of Tuzantan and Mazatan on the coast remain occupied. In those four cases, the protesters are demanding the dissolution of the local governments, because the mayors used public funds and did not carry out any projects.

Colosio on Salinas' Influence, Chiapas

PA1203181594 Monterrey EL NORTE (Foreign Edition) in Spanish 7 Mar 94 p 10A

[Interview with Luis Donaldo Colosio, Institutional Revolutionary Party presidential candidate, by unidentified reporter; date and place not given]

[Text] Mexico City (APRO)—[EL NORTE] After (late President) Plutarco Elias Calles, a man from your hometown, began the maximato [the arrangement by which the former president influenced his nominal successor], other presidents attempted "minimaximatos," but they did not succeed because the presidents who followed them cut the umbilical cord. When will you cut yours?

[Colosio] I aspire to govern Mexico at the side of the Mexicans. Let me be clear: No one but the citizens and society will guide my work as president of Mexico.

[EL NORTE] President Salinas designated you as the candidate of the Institutional Revolutionary Party [PRI], and he later ratified you by saying: "Let there be no confusion." Doesn't that weaken from the beginning the credibility you want to secure during your campaign?

[Colosio] I would like to tackle your question with two answers. First, regarding the PRI, I want to tell you that my nomination took place in accordance with my party's rules, customs, and traditions. All party members who aspire to be candidates accept those rules. My nomination received broad party support.

Regarding my credibility as a candidate, I want to tell you that it is an objective of my campaign, and I intend to win the trust, support, and confidence of the citizens. I have the best platform to achieve results. I firmly believe that, which is why I have called for debates.

[EL NORTE] You have said that countries are not invented every six years. Does that mean Salinism will continue to rule in Mexico?

[Colosio] I must explain myself. I realize that the country and Mexican society need, want, and demand changes, but Mexicans want to make changes without going backward. Mexicans want to explore new roads, new opportunities, and new economic, political, and social approaches. But they want these things without jumping off a cliff, without political adventures. What the people want right now, at the end of the century in an increasingly complex world, is certainty, a real future, and responsibility.

[EL NORTE] Your admiration for Salinas is well known, but looking beyond your compliments in his favor, he can make mistakes. In your opinion, what errors has the president made in governing the country?

[Colosio] I do not believe in passing final judgment. The president and Mexicans have made a great effort to progress. Personally, we are united by great friendship and fondness. As part of the government, I, in my area of responsibilities, worked with him and shared commitments and objectives. I know that he has always been motivated by a great love for Mexico. I also know that some things can be done better.

It must be admitted that the government often does not do everything it would like to do but does what it can based on the available resources and the respect due to the citizens' liberties and rights. In government, intentions and realities always conflict, and difficult balancing acts result.

[EL NORTE] There will be a special period of congressional sessions to pass reforms guaranteeing electoral impartiality. Will this end the perfect dictatorship?

[Colosio] There will be a special period and an electoral reform if all political parties and all candidates agree to it. That was stated in the agreement that all the candidates signed on 27 January. I insist: We will go to the special period and pass legal reforms so long as this is preceded by an agreement among the parties and the candidates. This would, of course, contribute to a democratic transformation in Mexico.

I think everyone must place the interests of the nation above party or group interests. That is why I committed myself to compliance with that agreement. I am fully committed to it.

[EL NORTE] If you won such exemplary elections, would you be the product of a new political system? Would this be the end of the perfect dictatorship?

[Colosio] Wait a minute. It is important to speak of democracy all the time, not only when one wins. There are candidates and parties that speak of democracy only when they win. When they lose they say the elections were a fraud. I think we must promote trust among ourselves. Trust is very important these days.

[EL NORTE] Problems built up in Chiapas for centuries. Statesmen have the obligation of foreseeing violence and of warning the country about it. That was not done. How do you interpret this possible lack of foresight or imposed silence that was broken by the sound of gunfire on 1 January?

[Colosio] Lack of foresight and climactic situations resulting from shortages and limitations in those communities are two sides of the same coin. Cumulative abuse created a situation that could not be resolved with preventive actions. We must view this as a structural conflict that has taught the government, society, and—why not admit it—the PRI some lessons.

[EL NORTE] First as PRI president and later as social development secretary, you said nothing about a latent war in Chiapas for a long time. Were you unaware of what was happening there? How did you react on 1 January? If you were aware, why did you remain obstinately silent?

[Colosio] I visited Chiapas as social development secretary four months before the conflict. I met in Ocosingo and Margaritas with representatives from all regional organizations, all of which made known their loyalties and beliefs. They presented various demands, and we responded. The anguish and hopelessness of those communities tell us that we arrived too late. I admit that.

[EL NORTE] Why, if you are the candidate of hope, does hope not go to Chiapas?

[Colosio] I will go at the appropriate time and be among the people of Chiapas. But I will do it without acting against the negotiation process there. I condemned violence from the very beginning. I proposed that the various parties issue a joint communique. I have spoke of this on several occasions.

If you mean that I have not made Chiapas the central issue of my campaign, you're right. I will tell you this: My decision has been not to block, hinder, or interfere with the peace process. No party and no candidate must make Chiapas into political booty. I repeat: I will visit Chiapas. I will look for the best time to do that.

[EL NORTE] [Former Chiapas State Governor] Absalon Castellanos and [Interior Secretary] Patrocinio Gonzalez Garrido have been accused of illegal enrichment and repression in Chiapas. The Zapatist National Liberation Army has demanded that they face political trial. What is your position?

[Colosio] I believe in the law. There are ways to denounce and punish crimes. I am in favor of abiding by the law. If the people you have mentioned are guilty, let them be punished, but I do not agree with condemning people based on unsubstantiated accusations.

[EL NORTE] Castellanos and Gonzalez Garrido are "distinguished PRI members." Does the PRI owe the country an explanation? Will PRI's Honor and Justice Commission finally function?

[Colosio] They may or may not face the commission, depending of whether they are found guilty of the crimes of which they are accused.

[EL NORTE] The PRI would then have to give an explanation? (Colosio says nothing but nods)

[EL NORTE] The debate among the presidential candidates is turning out to be just a fantasy. What is going to happen?

[Colosio] I have proposed that the candidates hold a debate because I think that the more people of voting age are informed, the freer they will be to choose among the various platforms and proposals present in the national political spectrum. The debate must mean more information available to the citizens, information provided live to them by the candidates.

I propose two dates for the debates, one at the end of April and another at the end of June. I have proposed that the debates he held at the Federal Electoral Institute.

Colosio Endorses Distinguishing Government, PRI

PA1103213894 Mexico City Radio ACIR Network in Spanish 0000 GMT 10 Mar 94

[From the "ACIR Radio News" newscast]

[Text] Luis Donaldo Colosio Murrieta, presidential candidate for the Institutional Revolutionary Party [PRI], has received support from PRI legislators in the Senate and the Chamber of Deputies, as well as from the representatives to the Assembly of the Federal District. Colosio said in a speech that the PRI's road in becoming a more autonomous party does not mean that war has to be declared on the government, as some may be asking for or as some have interpreted. Colosio made the statement in clear reference to the speech he delivered on the occasion of the 65th anniversary of the PRI, which gathered the entire PRI family under the Monument to the Revolution here in Mexico City on Sunday morning.

Among many other important things, Colosio said in a speech that limits need to be placed on presidential government [presidencialismo] and that he fully supports change. He said he fully supports making deep changes in matters of democracy and that he believes the PRI should be separated from the government itself. Luis Donaldo Colosio said: If we want to exist as a party—referring to the PRI—our political initiative should serve as the main engine to keep us moving ahead by way of arguments and reason.

Speaking to PRI legislators and assembly members, Luis Donaldo Colosio said the decision to make his party more independent from the government is not a declaration of war but, rather, a way of guaranteeing that the party will remain a viable organization in terms of electoral competition. Speaking to PRI candidates, Colosio asked them to join him in embracing this change. He said they should not fear debate and the confrontation of ideas or electoral competition. He said the government will not give us victory in the 21 August elections.

[Begin Colosio recording] What does this autonomy of which I spoke about on Sunday and today mean? It does not mean declaring war on the government, like some would like or some have interpreted—of course not. What we want with the government is a political dialogue, just as we want a dialogue with other political parties. We want a clear differentiation of what will be the government's role and what will be the role of the political party to which we belong. [end recording]

Luis Donaldo Colosio said the government must guarantee impartiality, objectivity, and firmness in applying the law, but the PRI has to work toward becoming closer to society and becoming a social leader. He said political competition is needed to put an end to self-indulgence, comfort, and conformity.

Speaking to the people's representatives headed by Senator Emilio Gonzalez Parra, Deputy Maria de los Angeles Moreno, and Assembly member Juan Jose Osorio Palacios, he asked them to work, sacrifice, and be willing to change. This is the only way to gain the people's trust. Colosio also reminded them that they had emerged from an election, the 1991 elections, in which certain beliefs were discarded, such as that the PRI could never win when there is high voter turnout.

Luis Donaldo Colosio delivered a clear message to the deputies and senators. He asked them to spread the word on their legislative actions and to show that the legislative branch has fulfilled its promises with Mexico.

At the end of the meeting, PRI senators and assembly members gave their support to Luis Donaldo Colosio in the 21 August presidential elections. During the gathering at the central esplanade at the PRI's National Executive Committee Building, the deputies and senators gave their solidarity and support to the PRI candidate.

Roundup of Mexican Electoral Developments

PA1203013894

[Editorial Report] The following is a compilation of reports on developments related to the Mexican elections scheduled for 21 August 1994.

On 3 March, Luis Donaldo Colosio, presidential candidate for the Institutional Revolutionary Party (PRI), urged opposition candidates not to use their campaigns to divide Mexicans. During a visit to Nayarit, Colosio stated: "I want to be president of Mexico to lead the change and transformation of social conditions in our motherland." (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 3 March 94)

Colosio officially has registered his presidential candidacy with the Federal Electoral Institute (IFE). Commenting on rumors Peace Commissioner Camacho Solis might run as the PVEM candidate, he has said: "I have great respect for Manuel Camacho. We are members of a party committed to democracy. I have great respect for him, and I support his actions in the Chiapas peace talks. I believe the pluralistic nature of our modern political parties is a product of Mexican society." (Mexico City Radio ACIR Network in Spanish 0000 GMT 5 March 94)

Members of the Permanent Indian Council, a group that comprises almost half of the 56 ethnic groups in Mexico and has no affiliation with the PRI, visited Luis Colosio on 7 March. The Indians said their urgent needs and extreme poverty drove them to seek support from the PRI candidate. (Mexico City Radio ACIR Network in Spanish 0000 GMT 8 Mar 94)

Colosio promised on 7 March if elected he will "establish a new pact between the state and 56 ethnic communities to guarantee respect for human dignity, autonomous rights, legal and social justice, and democracy for 10 million Indians, who are part of the poorest of the poor." Colosio also said: "It is time to do justice to our Indians, to grow and share the fruits of that growth more equitably in our motherland, because progress makes no sense if it does not imply more income for the peasants, workers, and the Indian families of all and each one of our communities." (Mexico City EL FINANCIERO in Spanish 8 Mar 94 pp 48, 52)

Colosio has announced he will recommend to his party women's participation be doubled in the PRI proposal of congressional candidates. (Mexico City XEW Television Network in Spanish 0430 GMT 9 Mar 94)

Rafael Aguilar Talamantes, presidential candidate for the Cardenist Front for National Reconstruction Party, has officially registered his presidential candidacy. Aguilar has said he would be willing to decline his candidacy in favor of Zapatista National Liberation Army (EZLN) Subcommander Marcos. (Mexico City Radio ACIR Network in Spanish 0000 GMT 4 March 94)

Commenting on the peace talks in San Cristobal de las Casas, National Action Party (PAN) presidential candidate Diego Fernandez has said: "I hope that efforts by the guerrillas, the government, the mediators, and society in general truly lead to a national de jure state and thus to a Mexico free of lies." (Mexico City Radio ACIR Network in Spanish 0000 GMT 4 March 94)

In Campeche, Fernandez has said: "We will never favor violence. We understand the Chiapas guerrilla movement has justifiable causes, but violence will never give us the peace, prosperity, and justice Mexico wants and deserves." He has also said: "The big challenge this country is facing, the big project to which all Mexicans should commit is so simple and deep that it can be expressed in a few words: The challenge modern-day Mexico faces is to comply with the law." (Mexico City XEW Television Network in Spanish 1300 GMT 7 Mar 94)

In Quintana Roo, Fernandez has praised the results of the peace talks in Chiapas, saying: "Other countries have not achieved over many years what Mexico has now accomplished, thanks to the government's prudence." (Mexico City XEW Television Network in Spanish 0435 GMT 5 Mar 94)

In Hidalgo, Fernandez has said: "If the people, if millions of Mexicans participate cleanly in these elections, we will leave behind on 21 August a history of corruption, fraud, deception, lies, and we can welcome a true democracy." (Mexico City XEW Television Network in Spanish 0430 GMT 9 Mar 94)

During the weekend of 5 March, the PRD registered officially before the IFE Cuauhtemoc Cardenas as its presidential candidate. (Mexico City XEW Television Network in Spanish 1300 GMT 7 March 94)

Cardenas has said he will propose an end to the import of farm products, which have harmed Mexican peasants, if he is elected president. Cardenas has added what farmers need are credits, participation, and opportunities to produce, as well as protection against unfair competition from imported low-priced farm products. (Mexico City EL FINANCIERO in Spanish 8 March 94 pp 48, 52)

Cardenas has reiterated his demand of an independent electoral authority, saying the current electoral law can still be reformed. (Mexico City XEW Television Network in Spanish 0435 GMT 9 March 94)

During a visit to Guadalajara, Alvaro Perez Trevino, presidential candidate for the Authentic Party of the Mexican Revolution, has denied he will decline his candidacy in favor of Peace Commissioner Manuel Camacho Solis. Perez Trevino has said: "We have not talked about this with Mr. Camacho Solis; we did not even know he was in charge of the peace talks in Chiapas. It is all a terrible rumor." He added he will register officially his candidacy on 11 March. (Mexico City XEW Television Network in Spanish 0435 GMT 8 March 94)

Labor Party presidential candidate Cecilia Soto has rejected the presence of international observers during the 21 August elections. Soto has said Mexicans are able to solve their internal problems without observers. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 4 March 94)

Soto has said: "We cannot be frugal with democracy. Social peace in Mexico will be at stake if these elections are not satisfactory; therefore, we should do all we can for these elections to run as smoothly as possible." (Mexico City Radio ACIR Network in Spanish 0000 GMT 9 March 94)

Jorge Gonzalez Torres, presidential candidate for the Mexican Green Ecologist Party (PVEM), has met with EZLN peasants and urged them to work together to solve Chiapas' agricultural problems. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 4 March 94)

Gonzalez has said there should be bilingual teachers so residents of areas where Indian dialects are spoken can learn in their native language. (Mexico City XEW Television Network in Spanish 0435 GMT 8 March 94)

In Sinaloa, National Opposition Union presidential candidate Pablo Madero has expressed his satisfaction with the opening of the congressional special sessions and indicated this is the only way to achieve truly democratic electoral reform. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 4 March 94)

Madero has reiterated the need to reform electoral laws. In Ciudad Obregon, he has said: "It is urgent that electoral bandits be punished without any right to bail." He has said he would fight impunity and corruption in the government if elected president. (Mexico City XEW Television Network in Spanish 0435 GMT 8 March 94)

Marcela Lombardo, presidential candidate for the Popular Socialist Party (PSP), has expressed her discontent with the decision by the PAN candidate to hold televised debates with only the PRI and the Democratic Revolutionary Party (PRD). She has said conditions should have been established to make debates all-inclusive. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 4 March 94)

Five of the nine presidential candidates have registered officially their candidacies thus far. Lombardo registered her candidacy on 9 March. Lombardo said strengthening our institutions and democracy is the only way to resolve the crisis. (Mexico City XEW Television Network in Spanish 0435 GMT 9 March 94)

On 6 March, the PRD's fifth plenum voted against holding internal elections to choose its candidates for deputies, senators, and assembly people, considering no political conditions exist "to preclude friction and erosion of members' unity." The plenum decided to focus on the presidential campaign. The party's national council decided during a closed-door meeting the positions in question would first be decided by state councils and executive committees. If disputes arise, the national council will have the final word. (Mexico City LA JORNADA in Spanish 7 March 94 p 11)

Serra Puche Says Competitiveness Key to Success

PA1203143194 Mexico City EL FINANCIERO in Spanish 8 Mar 94 pp 1, 28

[Report by Isabel Becerril]

[Text] Jaime Serra Puche, secretary of commerce and industrial development, reported that the manufacturing sector has grown 3.4 percent and the economy 2.9 percent annually over the past five years. He added that the economic recession hit bottom in the last quarter and that the economic recovery has now begun.

Serra Puche said the price index decreased 17 percent between 1987 and 1992 as a result of the economic opening. He also reported that between 1989 and 1992, labor productivity increased by 6 percent annually, a higher rate than that observed in the United States.

Exports of manufactured products grew more than 225 percent from 1985 to 1993. In the countries known as the Asian Tigers, the increase was 170 percent.

According to Serra Puche, such results show that considerable progress has been made. "But we cannot stop here. We must consolidate those achievements and continue to make the efforts that microeconomic reforms entail," he stressed.

Speaking to Mexican industrialists, Serra Puche said the country's productive sectors must fully assume their respective roles in accomplishing this task.

The government, he said, should see that reforms are implemented at the federal, state, and municipal levels.

Productive sectors must do their part by striving to modernize and increase competitiveness.

Serra Puche added that attaining superior levels of competitiveness is a permanent and unavoidable task of all nations which, like Mexico, are committed to affirming their sovereignty, promoting growth, and substantially improving the welfare of the majority.

He said that the experiences of all countries confirm that competitiveness is the only way to ensure the economic growth that will allow a better distribution of income and the satisfaction of housing, health, education, training, investment, and employment needs in the long term.

He stressed that those are the real demands of social groups striving to overcome backwardness and neglect and to join modern life.

Serra Puche noted, however, that lasting solutions to just social demands will only be found by eliminating the obstacles to sustained progress in competitiveness and employment. It is therefore urgent, he said, that productive sectors redouble their efforts to give all Mexicans broad opportunities for personal development and individual and collective improvement.

In summarizing his ministry's actions to benefit the industrial sector, Serra Puche said that the office in charge of fighting illegal practices issued more than 157 antidumping resolutions in 1993. The resolutions can be broken down as follows: 82 in the initial phase of the investigation; 40 provisional resolutions; and 18 final resolutions, five which have been appealed and 12 of which were dismissed.

He also noted that Nafin [National Financial Bank] funds totaling 11 billion new pesos have been channeled to benefit more than 22,500 companies in various sectors. Bancomext, [National Foreign Trade Bank] also issued credits for more than 24 billion new pesos benefiting 5,300 companies.

Serra Puche said deregulation programs will continue and will be strengthened at the federal level. He added that in the last pact it was agreed to ask state governments to pay special attention to deregulation measures, particularly those regarding requirements for opening and operating companies and for cargo transportation and fares.

In the financial area, the secretary said that efforts were made from the outset to grant credits to small and medium enterprises. For that purpose, business cards were issued, specific lines of credit were created, and other special mechanisms were established.

The active interest rate, in real terms, remains high, and in that sense the financial situation continues to be a matter of concern for small and medium Mexican enterprises. Nafin, however, is making great efforts to confront the problem.

Environmental Office Closes Companies in North

PA1303030294 Mexico City EL FINANCIERO in Spanish 9 Mar 94 pp 1A, 11A

[Report by Claudia Olguin; from the "Analysis" supplement]

[Text] As a result of industrial inspections along the country's northern border, the Federal Attorney's Office for Environmental Protection [Procuraduria Federal de Proteccion al Ambiente] has temporarily or partially closed more than 121 companies in the region, and it has permanently shut down more than 22, according to official reports obtained by the EL FINANCIERO Satellite News Service (Finsat).

Likewise, the latest report states 799 companies in the northern region of the country were subject to fines or penalties.

Studies conducted in this field indicate the effects of industrial development encouraged for 10 years along Mexico's border with the United States have resulted in severe basic infrastructure and environmental protection problems.

International organizations, such as the World Bank, granted several lines of credit for environmental projects in 1993. The line of credit granted by the World Bank stipulates that one of the two lines of credit granted $1.8 billion for regional environmental projects.

The Mexican and U.S. Governments came to the conclusion, however, the northern region needs $500 million to supply water, $2.8 million to treat municipal and industrial waste, $235 million to treat solid waste, and $750 million to treat and eliminate toxic waste.

Approximately $277 million were appropriated last year for regional infrastructure projects. The amount is equivalent to a 60.11-percent annual growth if compared to the 1992 budget.

The government budgeted $173 million two years ago to build facilities for the treatment of water, elimination of solid waste, highways and transportation, settlements, and human infrastructure.

In sum, the government spent $1.5 billion between 1991 and 1993 to finance solutions to environmental problems caused by industrial development along the border.

The problems and backwardness in environmental technology, equipment, and information sectors, particularly evident at the country's northern border, are not new within an international context.

El Salvador

Onusal Director: Violence 'Very Worrisome'

PA1103235894 San Salvador LA PRENSA GRAFICA in Spanish 8 Mar 94 p 5

[Text] Yesterday, Onusal [UN Observers for El Salvador] Director Augusto Ramirez Ocampo called the recent political incidents very worrisome, particularly the attack on the Mario Valiente caravan and the attack on Arena [Nationalist Republican Alliance] deputy candidate Julio Gamero. "These attacks go against the agreement signed by the parties before Onusal," Ramirez Ocampo said.

The diplomat explained that as election day approaches, naturally political temperatures increase and more political rallies are held, however, the rallies held this past weekend were very worrisome. Given this, Dr. Ramirez Ocampo said that currently, Onusal is meeting with all the presidential candidates and asking them to watch their language and to recommend to their supporters that they comply with the fair campaign agreement, without verbal or physical violence, signed last year. In addition, he called on the population in general to be calm and to hold democratic elections, like the Salvadoran people and the international community want.

Regarding the previously mentioned cases, the head of Onusal stated his organization is acquiring information to inform those involved at a later date.

When asked if the commitment made by the candidates is being violated, Ramirez Ocampo clearly said that aside from the aforementioned events, there have been no other regrettable incidents despite the fact that the parties have scheduled political activities at the same times and places. Ramirez Ocampo concluded, "Onusal has been present at 655 political rallies, and it has confirmed that citizens and candidates have observed the commitment made, which will not be affected by the latest incidents."

National, Civilian Police To Provide Election Security

PA1103153694 San Salvador EL DIARIO DE HOY in Spanish 9 Mar 94 pp 3, 59

[Text] At least 6,000 National Police [PN] officers and an equal number of Civilian National Police [PNC] will participate in the national security plan for the 20 March elections, it was officially reported.

The PNC will be in charge of La Union, Morazan, San Miguel, Usulutan, San Vicente, and Chalatenango Departments and their corresponding municipalities. The PN will be in charge of San Salvador, La Libertad—excluding the seat that will be under the PNC—Santa Ana, Sonsonate, and Ahuachapan Departments and their corresponding municipalities.

Security will focus on the individuals responsible for handling and transporting electoral material, which will be done via private trucks. Magistrate Eduardo Colindres explained that the Electoral Tribunal has solicited bids so the most appropriate company in terms of cost and security considerations can be chosen to provide the service.

The PNC, not the Army, will provide security for the transportation of electoral material. Colindres said: "The Electoral Code indicates that the PNC will be responsible for security. We have therefore reached an agreement with them to do so."

Unlike previous elections, the 20 March elections will take place from 0700 to 1700 in both urban and rural areas.

On election day, police officers will maintain a discreet distance from the voting place, never standing near voting tables or areas where voters could be moving about, Colindres explained.

In addition, the Electoral Tribunal will have at its disposal several helicopters that will transport personnel and original tally sheets from limited access areas to San Salvador. The heliport will be set up in a parking lot in front of the Presidente Hotel, the cite of the election control center.

The aircraft crew will carry out only this mission. In other words, documents will be handled only by Tribunal personnel, international observers, and party delegates, if necessary. There is no risk. The aircraft will have enough fuel for a nonstop flight, so en route technical stopovers will be unnecessary.

In addition to security at the Department seats, the PNC and the PN will provide security for the 262 municipalities in the national territory and on the routes where electoral material could be transported or where personnel could pass with electoral material.

The PNC and PN rank and will be linked through communications radios so their chief can learn of any incidents anywhere in the country. The two institutions will be supplied with vehicles and radios with a range wide enough to cover the entire country.

Although it has not been officially decided, it is possible that a specific number of soldiers could be deployed on some roads as a deterrent in case of an emergency. As of yesterday, meetings were still being held to discuss the security plan.

In La Libertad Department, the PNV will provide security for the (Nueva San Salvador or Santa Tecla) seat, while the PN will be responsible for the municipalities and the road to the seat.

There are some places labeled former conflict areas where FMLN groups are known to have their rank and file organized. One example is the Perquin road to Sabaneras, where an "entrance" is controlled by FMLN groups that restrict passage. It is said that this place has difficult access. The PNC will also be in these places, consulted sources said.

Regarding statements by some groups organized by political parties that they are "security for the votes," the consulted sources said there is no danger as each party is responsible for the actions of each of its members.

Officials View Ballot Box, Voter ID Anomalies

PA1103175794 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Mar 94

[From the "Up-to-Date" newscast]

[Text] [Announcer] On 9 March, Dr. Augusto Ramirez Ocampo, chief of Onusal [UN Observers for El Salvador], voiced his concerns over anomalies in the electoral process related to the transfer of ballot boxes and the issuing of voter identity cards. Regarding these problems, Ramirez pointed out that the Supreme Electoral Tribunal [TSE] decided to transfer polling stations from four Chalatenango Department municipalities to the departmental capital. He noted that this violates the Electoral Code. Mario Jovel filed this report:

[Jovel] Dr. Ramirez was displeased with the TSE plan to transfer polling stations from several Chalatenango municipalities to the departmental capital. The Onusal chief said that transfer is unjustified and violates the Electoral Code.

[Begin Ramirez recording] It is indispensable that we consult with the municipal electoral boards and the supervision [vigilancia] board. The latter, in an announcement on 8 March—according to information available to me—did not recommend this transfer. [end recording]

[Jovel] Ramirez added that despite efforts by the TSE, Onusal, and political parties to overcome problems with requests to enter names on the voter rolls without the prior submission of identity documents, there are still 75,000 people unable to obtain their cards. The diplomat said that 45 [word indistinct] points were established where requests may be rejected. Most of these, he added, are located in former conflict zones. But this is not enough to claim that there is any sort of fraud:

[Begin Ramirez recording] The 75,000 [word indistinct] not supported by identity documents are distributed proportionally throughout the country. They are distributed on the basis of electoral volume [volumenes electorales]. In other words, it is difficult to determine just who is affected by this situation. [end recording]

[Jovel] The Onusal chief noted that not all the news is bad. For example, the 2.3 million citizens supplied with voter identity cards—a figure predicted by his organization—was increased by 100,000. Ramirez added that this represents 90 percent of the potential vote, the highest ever for the country in its electoral history.

[Announcer] In this regard, Dr. Jaime Romero Ventura, TSE magistrate for Arena [Nationalist Republican Alliance], said that Article 117 of the Electoral Code has definitely not been violated, because the decision to transfer ballot boxes to Chalatenango was made in consultation with the departmental boards. Erwin Gongora filed this report.

[Gongora] Dr. Romero stated emphatically that the decision to transfer ballot boxes from certain Chalatenango Department municipalities for the elections arose from an agreement with the departmental boards and was not an arbitrary decision. This change in polling stations, the Arena magistrate added, is being made for specific reasons.

[Begin Romero recording] First, 90 percent of the residents of those four municipalities live in the departmental capital. Second, two of these municipalities don't have electricity or telephone service. This would hinder the forwarding of results. [end recording]

[Gongora] Romero pointed out this is not an isolated case, as similar instances have been reported, including those in Colon in La Libertad and San Francisco Menendez in Ahuachapan, where the same request was made for similar reasons. He also explained why approximately 79,000 people will not be able to obtain their voter identity cards in time to vote on 20 March.

[Begin Romero recording] Specifically, the 79,000 people were not validated because their birth certificates are not registered in the corresponding municipalities. Thus, we do not have those files. I want you to know that these 79,000 citizens who unfortunately will be unable to vote are dispersed throughout the country. Actually they live in municipalities destroyed by the FMLN [Farabundo Marti National Liberation Front] during the war. [end recording]

[Gongora] Romero also announced that the TSE has redoubled security upon the discovery by state intelligence organs of a plot by unidentified people to seize the TSE computer center. He added that the goal of this action is the destabilization of the electoral process.

Cristiani: Peace Accords 'Progressing Normally'

PA1203041694 San Salvador LA PRENSA GRAFICA in Spanish 10 Mar 94 p 3

[Text] President Alfredo Cristiani yesterday said the peace accords are progressing normally—in fact, some of them have been stepped up—and only the total deployment of the National Civic Police (PNC), which is going along according to schedule, will be left pending by the time he concludes his term.

The president announced the government is about to present a plan to further expedite the land transfer program so it ends in May, when the new agricultural cycle begins. Cristiani explained the plan allows the possibility of issuing land appropriation titles with a specific value for each beneficiary—whether he is a member of the FMLN [Farabundo Marti National Liberation Front] or the Armed Forces—and they can personally expedite the negotiation with land owners who want to sell their assets.

The document can expedite the negotiation with land owners and the only remaining thing would be to sign a deed and grant financial aid through the Land Bank. The goal is to define the ownership of all the land, the president said. "Approximately 10,000 FMLN members have received these benefits and 10,000 are still pending; while barely 2,000 Armed Forces members are still pending," he said.

Regarding the compensation demands from demobilized Armed Forces members, Cristiani said the government is complying with the peace accords' stipulations, and the protests are the result of a political movement.

The problem is that, in certain cases, persons show up and demand compensation even though they are not registered to obtain the benefits within a given period; and former fighters are demanding their inclusion, and this is not foreseen in the peace accords. "No country granted the necessary aid to pay the compensation, which surpass the 200-million-colones mark, so the funds come from the nation's general budget," he asserted.

Moreover, Defense Minister General Humberto Corado explained the Armed Forces are not trying to influence the 20 March electoral results; adding the corps' participation is constitutional and its work will be to place 14 helicopters at the disposal of the Supreme Electoral Tribunal [TSE] for the transfer of tally sheets from the most distant corners of the country. "The TSE said the tally sheets' transfer will be supervised by Onusal [UN Observers for El Salvador], the electoral boards, and the political parties," he emphasized.

Guatemala

Army Spokeswoman Defends Civilian Patrols

PA1103183194 Guatemala City PRENSA LIBRE in Spanish 6 Mar 94 p 3

[Text] Army spokeswoman Edith Vargas de Marroquin stated that in spite of what has been said by Monica Pinto, a UN human rights expert, the armed institution believes that the voluntary Civilian Self-Defense Patrols [PAC] are positive for Guatemala.

Military reaction has come in the wake of a report prepared by Dr. Pinto that describes PAC's as the main violators of human rights in Guatemala and because the final resolution of the UN Human Rights Commission requested that PAC units in areas where there is no conflict be dissolved based on agreements that may be reached during the peace negotiations.

In noting that the Army's position is similar to that expressed by the Defense Ministry, Major Vargas affirmed that "the Army respects the position stated by the UN representative but we have our own opinion." She suggested that next time the UN expert visits Guatemala, "she should stay longer because this would permit her to speak with all the sectors, including PAC members." The major said that a longer visit would allow Dr. Pinto to have a broader idea and learn about special cases that cannot be understood in only eight days.

'State of Siege' Declared

PA1103223994 Guatemala City Teleonce Television in Spanish 1900 GMT 11 Mar 94

[From the "Telepress" newscast]

[Text] Civil patrolmen of Xalbaquiej Canton, Chichicastenango Municipality, El Quiche Department, reportedly have declared that locality under a state of siege [as heard], the Mutual Support Group, GAM, has announced in a communique issued in Guatemala City.

The communique states those who are promoting this form of extreme measure are participating in a coordinated plan directed and organized by military intelligence. According to GAM, this coordinated plan, called The Chain [la cadena], encompasses 60 cantones and covers all the areas of the high plateau.

GAM has demanded an immediate explanation from local civilian and military authorities as to why civilian patrolmen have declared a state of siege; it has also urged the ombudsman and the attorney general to review the situation.

Police Defuse Several Bombs Around Capital

PA1203204794 Panama City ACAN in Spanish 1828 GMT 12 Mar 94

[Text] Guatemala, 12 Mar (ACAN-EFE)—Government sources reported today that Guatemalan security forces have defused at least four explosive devices in the capital over the last few hours.

The national Police stated experts found one bomb at the telegraph office.

Another bomb was found on a bridge near the Olympic village in Guatemala City. Police found still another in a private office building, and one last device was in a city suburb.

Last Sunday, alleged guerrillas blew up a bridge about 20 km outside the capital city along the highway toward the Atlantic coast.

No organization or person has claimed responsibility for placing the devices, none of which exploded.

Troops Said To Thwart 2 Coup Attempts

PA1203213094 Panama City ACAN in Spanish 1812 GMT 12 Mar 94

[Text] Guatemala City, 12 Mar (ACAN-EFE)—Troops loyal to Guatemalan President Ramiro de Leon Carpio have thwarted two coup attempts against his government over the past three months, the Guatemalan newspaper EL GRAFICO reports today.

The newspaper, which cites Army "officers" as its sources, reports de Leon has been the object of two thwarted coups since he assumed the Presidency in June 1993, replacing deposed President Jorge Serrano, following his self-perpetrated coup on 25 May of the same year.

Troops loyal to the president thwarted the attempted coups, the paper reported without expanding on the details of those who participated in the alleged coups to disrupt constitutional order.

The report adds after the thwarted coups the Army "has been strengthened, and democracy is safe."

Both de Leon and his defense minister, General Mario Rene Enriquez, have denied intense rumors of alleged coup attempts to unseat the chief of state.

They have admitted, however, "retired military and frustrated politicians," who were not identified, once knocked on the doors of the garrisons to promote a coup d'etat against Ramiro de Leon, former human rights ombudsman.

Enrique states the Armed Forces will no longer lend itself to any more revolts as in the past and that institutionality and the democratic process are guaranteed.

Foreign Ministry Reasserts Territorial Claim on Belize

PA1203021994 Panama City ACAN in Spanish 2241 GMT 11 Mar 94

[Text] Guatemala City, 11 Mar (ACAN-EFE)—Today, the Guatemalan Foreign Ministry asserted in a letter to UN Secretary General Butrus Butrus-Ghali that the country has signed no agreement establishing borders with Belize, and it adds that Guatemala maintains a territorial claim on the former British colony.

Foreign Minister Marithza Ruiz de Vielman asked the United Nations to inform its member states about the Guatemalan Government's territorial claim, which includes an area of land in Belizean territory and maritime areas on the Caribbean Ocean. Ruiz de Vielman said the joint declaration signed by the two states on 31 July 1992 does not recognize the definition of their territorial and maritime limits. She recalled that Guatemala recognized Belize as an independent state in September 1992 without relinquishing its claim, which dates back 150 years.

The diplomat's letter to Ghali emphasized that the government respects the free determination of nations and believes the settlement of controversies between states should be reached through peaceful means. She added that the Guatemalan Government is prepared to continue direct discussions with the former British colony to reach a definite solution to the dispute.

"Guatemala formally rejects anything which violates its sovereignty, continental shelf, control of its territorial seas, or exclusive economic zone, both those defined in the past and those which may result when the dispute is settled," the text added. The document said Guatemala's territorial sea is 12 maritime miles (more than 18 km) wide.

"Until the dispute is settled, Guatemala cannot accept nor does it accept boundaries that are equidistant to states, adjacent coasts, or coasts that face each other if they negatively affect its sovereign right to 12 maritime miles," she emphasized. Ruiz said the government is willing to adopt control measures to prevent the violation of its laws and its customs, immigration, and health regulations.

She confirmed that the country's economic zone comprises an area beyond its territorial sea and adjacent zones, which extend 200 maritime miles beyond the boundaries used to measure the width of its territorial sea. Also, the continental shelf extends 200 miles with exclusive sovereignty rights to exploit its natural resources, she said.

She emphasized that Guatemala will not recognize the charters or lists of geographic coordinates prepared by Belize until they reach a definite agreement that is satisfactory to the two parties. The foreign minister asked the United Nations to inform its member states about Guatemala's position on Belize.

Honduras

President Reina's State of Nation Address

PA1103020894 Tegucigalpa Radio and Television Networks in Spanish 0135 GMT 8 Mar 94

[State of the Nation Address by President Carlos Roberto Reina in Tegucigalpa on 8 March—recorded]

[Text] Fellow countrymen: Thirty nine days ago I promised I would carry out the moral revolution. The moral revolution has begun in Honduras. Without any sort of experience, we have taken the moral revolution's first and most important step: We inaugurated a new style of government. As we said in our campaign, we shall tell the people the truth about the country's reality. Throughout the history of our country, politicians, using demagogic phrases to reach power, have convinced the people with pledges, only to govern against the country's interests.

When I became president, I found an economy in crisis and worse still, a people who are tired of deceptions and unfulfilled promises. We found a huge foreign debt and a gigantic social debt. In the new style of government, we will call a spade a spade. No more hiding the truth from the country; no more mirages to disguise sacrifices. The state of the nation is worse than what we believed it to be before taking office. Our resolve, however, is firm in the face of the great task the people have entrusted to us.

First, we were told the fiscal deficit would be 3 percent of the GNP; later, the previous administration confessed it was 5 percent. Now, we discover it is more than 10 percent. In the old style of government, tough decisions were put off. Certain points of elusive popularity were exchanged for those of lasting sacrifices by the people—the current electricity deficit is just one example—because proper measures were not taken; technicians' recommendations were not heeded at the right time, and today we are suffering unavoidable power blackouts because of the need to ration electricity.

In the old style of government, Cold War tensions took precedence over feelings of fatherland and sovereignty. In the old style of government, the ideology of state affairs was above respect for human rights. In that old style of government, economic policies reflected more what foreign organizations wanted than the [word indistinct] interests of the majority of our people. In the old style of government, laws were bent when they blocked powerful interests or when it was suitable to carry out urgent business with quick profits. In the old style of government, a few were awarded privileges at the expense of the majority. In a nutshell, the old style took into account the next election while forgetting the next generation by disguising problems and putting off decisions. It submitted to foreign demands; at home, it was corrupt; it purchased more than it produced; it favored a few people while crushing many.

The truth that was hidden in the past now appears with its load of problems—all urgent and distressing—but we are ready to face them and begin to solve them. In the new style of government, there will be no putting off difficult decisions; no more giving in to inappropriate pressures; no more inequities in the distribution and sacrifice of benefits; no more disregarding the human factor when dealing with the economy.

As president of all Hondurans, I appear before the nation to seriously and responsibly explain the country's difficult situation and the measures to be taken.

It is necessary to point out that just when the new government began its term, the inflationary pressures that had been removed during 1993 flared up. During the first two months of the current year, the estimated yearly inflation rate skyrocketed to more than 24 percent. This means the price of goods in the basic consumer basket has increased. The increase was mainly sparked by the fact that prices, which the recent past government had frozen by executive decree, were released at the beginning of February and took an upward trend. Another reason for the increase is the speculation carried out by unscrupulous merchants.

Furthermore, [words indistinct] unwarranted measures that did not conform to the 1993 budget norms, prompted an increase of expenses, subsidies, and investments. Such measures were so detrimental that the former government's expenses exceeded its revenues by 2.3 billion lempiras, which is more than 10 percent of the GNP and five times the country's deficit. The former government should have acted with fiscal responsibility and, instead of thinking about electoral results, should have taken into account that their actions would have adverse consequences for most people.

Another element that contributed to this inflation is the reasonable uncertainty about the transition period to the new government. However, in this case, the situation was magnified by concern over how the moral revolution government would react to such a difficult economic situation.

I address all the sectors in the country—workers, peasants, professionals, and businessmen—to say that the government over which I preside will act with responsibility and will work with the necessary seriousness and diligence, to correct the serious imbalance in our public finances. To further this end, we have instructed the Central Bank to prepare a monetary program that agrees with the economic situation. We have also taken measures which, despite the minor margins in the available options, have already allowed us to rescue Honduras' credibility and obtain the necessary support from abroad to finance our commercial imbalance, which amounted to 2.18 billion lempiras in 1993.

As president of Honduras, I have begun a fraternal rapprochement with Costa Rican President-elect Jose Maria Figueres. We have agreed that Honduras and Costa Rica will prepare joint platforms to resolve our respective problems, especially those related to foreign relations, foreign financing, and the defense of democracy. This agreement anticipates excellent possibilities in the immediate future.

The actions we have carried out up to now have generated a climate of prevailing trust and certitude. We no longer have room for speculation. Thus, we expect those who use such practices against society to abandon them immediately for the benefit of their own peace of mind and to further the superior interests of the majority.

I hereby reiterate to the Honduran people what they already know from personal experience because they have suffered it during the past four years at the hands of the dehumanized neoliberals. I refer to the skyrocketing inflation rate, which reached an annual average of 19 percent in the past four years. True salaries have been reduced both in rural areas and cities. All of this has contributed to impoverishing the Honduran people even further, affecting mostly the middle and low-income classes. It should not be necessary for me to expand on what the people have already suffered. Inflation is the heaviest burden that any government could impose on a nation. Consistent with this, my government is determined to reduce the price hike rate. We will offer to the great majorities the enormous social benefit we have in store for them: prices in accordance with their true salaries.

We will now discuss anti-inflation measures and the fiscal deficit. To counter this inflation process in the short term, we intend to reduce the fiscal deficit because, if public expenditures continue to be managed in the same way or in much the same way as the previous government managed them, the fiscal deficit would amount to 2.7 billion lempiras in 1994. With this in mind, and regarding expenditures, we have started a fiscal year of austerity by reducing the central government's expenditures by 10 percent. Apart from autonomous institutions, this reduction will not affect priority social sectors. Consistent with this goal, we are reprogramming public sector investment by establishing an order of priorities. Consequently, all the projects that have to be regarded as unpostponable because of their importance as economic and/or social development factors will be provided with the required funds. The highway network's permanent maintenance and expansion is one of these priorities. We will continue to allocate 35 percent of the country's budget to support social development programs and to combat poverty.

There will be no more irregular subsidies, and we will only keep those we can afford, according to the law and our financial capability. The subsidy to the transportation sector is one of them. Regarding revenues, we will implement the following actions:

We will send to the National Congress the tax code bill the implementation of which will allow us to improve the collection of taxes and their management. This tax code will include severe punishment for tax evaders and defrauders. Regarding this same topic, we will send the National Congress an initiative to increase the number of taxable products without altering the 7-percent sales tax currently in effect. As far as income tax is concerned, we will increase the minimum tax-exempt income to compensate the inflationary effect and we will abolish the 10-percent and 15-percent surcharge, to reduce that tax's marginal rate to 35 percent.

We will endorse reforms to the provisional import law, and we will review public services tariffs according to the changes in their costs. With these measures, we hope to reduce the fiscal deficit, which, if we had continued to handle things the way the previous government did, would have amounted to 11.2 [unit of measurement not given] of the GDP for 1994. In this way we will avoid having to finance the deficit with disproportionate inflationary effects. Our efforts clearly show that, contrary to the course of the recent past, the government will be the entity that will have to sacrifice the most in correcting the fiscal imbalance, with the austerity program implemented.

We will refer to the balance of payments. The balance of payments deficit is structural. It constitutes one of the most serious problems that we face. To solve it, therefore, requires time. It mainly deals with strengthening and increasing national production. In the short-term, the qualitative and quantitative improvement of the production sector requires foreign aid. In the medium-term, we propose to establish the necessary mechanisms and instruments to increase credit offers and improve technological conditions and marketing practices.

We have a medium-term financial plan of approximately $700 million with rapidly disbursed external funds to support the balance of payments. The disbursement of these resources began in 1994, and we expect to cover the financial gap to prevent speculation with the foreign exchange rate. This will allow us to attain relative stability with the foreign exchange rate and protect the capability of our exports to compete.

We must now refer to two critical problems which afflict the country and which we are looking into on a priority basis. One of them is the grievous food problem that afflicts the majority of the Honduran people. The government's action in the short term will concentrate on the availability of and access to credit for the agricultural production sector; organizing the marketing of these products; and granting technical aid to small and medium- level producers.

We will have tariffs to protect production of basic grains, to render their price profitable for the producer and accessible to the consumer. We will provide a weekly report on the status of these prices. We will establish, according to our potential, a credit fund in commercial banks to provide financing for the production of these grains. We will establish rural savings and credit funds and 60 percent of the Banadesa [National Bank for Agricultural Development] credit line will be committed to supporting agricultural production activities. We will maintain a strategic reserve to prevent shortages.

The other critical problem is the electricity sector crisis. We are aware of the vital importance of solving this complex problem so we have issued the necessary instructions. As a result of this, I can report that the 70-megawatt deficit we inherited will be reduced to 62 megawatts in April and 13 megawatts in May; and the generation of electricity in December will be equal to the demand. I assure my fellow citizens my government is adopting the adequate measures to prevent this deficit situation from recurring. As a result of this decision, my government will provide sustained support to the private production of electricity. We intend to establish a legal and administrative framework that facilitates the necessary procedures to render viable the private sector's participation in the production of electricity.

We will also expedite the collection of accrued ENEE [National Enterprise for Electric Power] bills—190 million lempiras for the private sector only, as of 31 December. The government and the ENEE will maintain the compensation mechanism between that enterprise's debt and the government's energy consumption.

Given its importance to the creation of jobs and its role in the construction industry, my government will adopt the necessary measures to guarantee a sufficient and timely supply of cement.

My government knows it cannot limit itself to short-term actions once we have implemented the measures aimed at solving the problems we have outlined, and once their main effects have been countered. Instead, we must strive to achieve the country's overall development with realistic plans and programs, and the creation of a general strategy that renders coherent the public and private sectors' actions. A basic principle of our strategy is to fulfill social needs and drastically reduce extreme poverty before the 21st century begins.

It has been proven throughout history that the general benefits of economic growth never extend automatically or spontaneously to poor sectors. That alleged spilling over of the benefits of growth also does not occur in the short term. This is why the state is duty-bound to exercise its function of maintaining a balance and of promoting the common good. We view this social development policy as part of the overall development strategy because it integrates the social and economic sectors, consolidating the democratic process and justifying the governments that emerge from it.

On the basis of these guidelines, my government has decided to issue measures to immediately improve the efficiency and effectiveness of the social policies and expenditures through adequate coordination and technical management.

The poorest sectors will have priority in these actions. It will promote access to employment through policies that lead to the massive creation of jobs in keeping with the best traditions of liberal governments.

We are reviewing labor laws to make them compatible with the current demands of workers and businessmen, within the framework of a policy of equitable, dynamic, sustained, and highly competitive economic growth.

We will support the national action plan for development, especially for human development, for children and youths, giving priority to the establishment of conditions that offer equal opportunities to women in all sectors of the nation's life.

Honduras' educational problem has its roots in the historic negligence of governments. After the reform promoted by Ramon Rosa [19th century liberal politician], no government has viewed education as a true national priority. That grave historic error explains why in our country we have a shameful illiteracy rate while 5,000 teachers are unemployed. I promise to correct this situation in my administration, which will allocate to the education sector greater resources every year. I will immediately instruct the Education Ministry to incorporate into the education programs as soon as possible the civic, democratic, and patriotic dimension that should be taught to all Hondurans. In fulfillment of the commitment that I consider my most important campaign promise, I have issued instructions to the Education Ministry to begin a massive literacy program that will make sure that the next century will find Honduras without a single illiterate person. In this great task, we will incorporate all sectors of society, including the Armed Forces. I think all Hondurans have an unpostponable duty to be aware that the eradication of illiteracy in our country is the most honorable and productive goal we can establish. We must admit that illiterate persons are the victim of social indifference and that illiteracy is an affront to and a burden on all society. The moral revolution pledges to foster the spirit that will awaken consciences and instill determination to achieve such a beautiful goal.

With strict observance of university autonomy ordered by the Constitution, my government will give special attention to higher education, aimed at improving its scientific-technological quality and thus incorporating it into the social production process.

In the health sector, we aim to achieve the following: reduce infant, prenatal, and maternal mortality 26-30 percent with regard to the numbers registered in 1992. Likewise, we will reduce severe malnutrition in children under five and the number of infants with low birth weight. With the cooperation of friendly nations, we have undertaken the task of resolving the serious situation we found in the public hospitals. An order has been issued for the immediate supply of medicines, medical-surgical equipment, and all the supplies necessary for these hospitals to fulfill their humanitarian tasks in an appropriate and timely fashion.

In the environmental cleanup sector for the 90's, we have adopted the goal established by the United Nations on a global level for the previous decade. That is, provide water and environmental cleanup projects for 50 percent of the population. With the fraternal aid of some nations, we will take the necessary steps to supply potable water to 2 million Hondurans in the mid-term. To achieve this, a dynamic and sustained growth process in production and jobs should be initiated as soon as possible.

The government commits to reaching the goal of 5 percent true growth rate annually beginning in 1995. This would then generate a true increase in per capita income by 2.2 percent. To achieve these growth targets, substantially larger levels of private investment and local savings than those obtained so far are required.

During the past four years, investment opportunities have been offered to private capital, however, the response to local investment has been very poor. This indicates that the private sector has not made the effort expected. We invite local and foreign investors to participate in the development of Honduras by increasing their investments in the sectors they are interested in. Consequently, we are offering to achieve and maintain a stable macroeconomics framework and a transparent and fair system of laws, as well as attractive returns, particularly in those sectors where Honduras has comparative advantages. One of these is the manufacturing sector, particularly the industrial processing zones. In less than four years, private investment can generate up to 100,000 jobs. In all areas of investment, my government will offer appropriate incentives, particularly in tourism, mining, forest exploitation services, and the export of traditional and nontraditional agricultural products.

With the participation of the private sectors, we are certain we will achieve our goal of constructing 50,000 housing units in the next four years. We have already begun negotiating with construction and financing companies. We will promote and stimulate the private sector to revitalize the industrial sector, and we will support worker training programs.

Because of its great importance, we reiterate that Honduras will establish favorable conditions for private investment. Those conditions will allow private investors to participate in providing public services, such as electricity generation and telecommunications.

Regarding Hondutel [Honduras Telecommunications Enterprise], after we study all the possible forms of privatization, we will try to reach agreements with all the sectors involved. Once this has been done, we will make every effort to get the required approval from the National Congress to carry out the designated transaction. The privatization will be carried out in an exemplary and faultless manner. It must provide the people with clear benefits. Any way, most of the resources obtained from this transaction will be assigned to pay the social debt, which has been pending for such a long time.

In the context of our development policy, we will give the necessary incentives to private investment so its contribution can reach significant proportions. We will also encourage the repatriation of capital, which is one of our basic goals. To this end, we will implement mechanisms that will expedite paperwork and offer investors' security. One of our medium-term goals is to ensure that the flow of capital closes the balance of payment gap, boosts international reserves, and contributes to foreign exchange stability. In order to increase the volume of investments the country needs, it is necessary to increase our domestic savings capacity in addition to maintaining currency exchange in stable condition. The government will modernize the national financial system to ensure *that savings-account holders obtain a better yield. In this* respect, the government will propose two laws to the National Congress: the National Banking and Insurance Commission Law and the Financial Institutions Law. Later, we will reform the Central Bank Law and the laws dealing with companies, insurances, and others.

We will give equal or more importance to the modernization of the social welfare system, which can be a key factor in the development of capital markets. Therefore, we want a system in which each contributor can establish his pension fund according to his means. We will also evaluate the benefits of giving the management of those resources to the private sector. The government, however, would still be responsible for establishing minimum payments, providing savings incentives, and guaranteeing their security.

The economic transformation of Honduras requires a modern and efficient government, one the people who save can have confidence in. One that offers guarantees to investors, and in general, offers security and equitable treatment to nationals and foreigners. To this end, the government pledges to immediately start reforming the public sector and will emphasize the following programs to further its objective:

Public administration, controlling corruption, strengthening the state of law and civilian society, and reforming the judicial system. In addition, the government will continue its policy of commercial openness, and, among other benefits, it will promote the international investments we need to complement our financial and technological resources.

The government will maintain its commitment to the Central American integration process as a platform to achieve high quality production. We will support initiatives to strengthen regional infrastructures, and thereby facilitate cooperation among Central American producers to face competition challenges in both regional and world markets.

We will also support the harmonization of macroeconomics policies and public service costs in the region so as not to disadvantage Honduran businessmen with our neighbors. Already we are working hard to gain access to NAFTA markets and thereby multiply Honduras' attraction for foreign investments. My government, together with other regional governments, will encourage Central America's entry into NAFTA. We will continue negotiating with Caribbean countries, Mexico, Venezuela, and Colombia, and will give priority to trade with Europe and Japan.

Environmental protection is one of my government's priorities. Therefore, our development policies will incorporate the principles of sustained use of natural resources and environmental protection. In order to counter the accelerated and progressive deterioration of forests, we will give priority to the development of massive conservation and reforestation programs, as well as the implementation of the Rio Principles on Environment and Development.

Given its special importance, I believe it is pertinent to reiterate that we have already recovered the government's credibility in all internal sectors. I reiterate, we will keep that credibility intact. We have also recovered our credibility in friendly countries and international organizations, which have already given us their support. I must stress that in my opinion the agenda of those international organizations for the 90's is very similar to my government's social agenda, which gives priority to human development.

Compatriots, in order to reach our objectives in the areas of social and economic development, investment, and savings, we need the commitment and consensus of all sectors. I will dedicate my efforts in the next few weeks to this initiative. The signing of a social pact among all Honduran sectors is absolutely essential. The gist of that pact will be to defend our national interests and improve the quality of our lives.

I take this opportunity to call a national forum in which we will all sign a national agreement for stability and economic growth with equity; a forum to reach a consensus and obtain the fruits we need for the benefit of the people.

Compatriots, the old government style meant a setback for Honduras. We will emphasize moral aspects in our government style because without them corruption advances, the country retrogresses, and democracy is endangered. The government of the moral revolution thinks about the present and the next generation. It works to give future generations a greater fatherland.

We are aware of the need to affirm our sovereignty over the territories recovered in Naguaterique, Dolores and other regions. It is a national goal that cannot be postponed any longer. Something that can never be forgiven is that as result of indolence or clumsiness, we avoided our obligation to consolidate our legal ownership and provide effective attention to our compatriots along the border through positive actions commemorating the judicial victory of The Hague.

We are also interested in our youth. We want to offer and encourage the transition to a voluntary military service system. While the National Congress, however, independently decides to follow through with the required constitutional reform, we will seek a mechanism whereby the service will also include a greater educational content and the conscription process will not result in the same traumas it has caused in the past.

I am aware that the next generation needs to feel proud of its ancestors. The next generation also needs its ancestors' names to be unblemished. It does not need its ill-gotten gains. Carlos Roberto Reina's descendants will receive a spotless name. The president of the republic will not intervene, in any way, in any type of business transaction or private association. There will no longer be any classified allotments in the presidential office, nor will we allow any in the government sector.

My fellow countrymen, *an investigation into corruption* charges has already been launched. In this respect, we have appointed preliminary intervention commissions at the National Supply Agency for Basic Products, the Central Penitentiary, the National Social Welfare Board, as well as other public education institutions. Per an executive decree, we have established the Intervention and Supervision Commission [Commission Interventora y Fiscalizadora] with ample resources to investigate indictments, inquiries by private citizens, and commissions appointed for this purpose. The Intervention and Supervision Commission includes two government representatives, two COEP [expansion unknown] members, one representative of the workers, one representative of professional associations, one member of the opposition party, and a representative of the media.

Following a 60-day period, beginning the day it is sworn-in, the commission will present a report on all the cases where there is evidence of corruption. Each case will be transferred to the appropriate courts subject to whatever legal action it may merit. These commissions are not instruments of retaliation; they are not courts to carry out witch hunts either. The commissions cannot and do not pretend to replace the justice system. Their responsibility is to prove whether or not there is sufficient evidence of corruption. Once this is determined, it is up to the judges to send the embezzlers to jail.

We are not looking for scapegoats. We are looking for the real criminals who always hide in their mansions. In a legal state, criminals end up in jail when society is able to prove they have broken the law. We understand and share the population's concern with respect to a timely end to impunity and penalties for criminals. We are working hard to accomplish this. We already have evidence leading to the people responsible for certain crimes against the people and the national economy. The penalties must be implemented in a serious and objective manner as demanded by the law. One wrong or prejudiced step could encourage excuses or legal maneuvers to cover up the crime.

Honduras' moral revolution will only be possible with your cooperation, with the courageous participation of every citizen who knows an official took or is taking money that belongs to all Hondurans. In the next 30 days, we will send a draft code of conduct for public officials to the National Congress so we can institutionalize technical principles to regulate the behavior of managers of the Republic.

Fellow citizens, my government is firmly determined to take on the great deficits we inherited. Overall, the government has a coherent economic and social policy. The government has a clear vision and direction toward the future, but that decision, those policies, that direction, and that vision can only become a reality with the participation of all Hondurans. As a candidate, I offer [pauses] offered to launch a great national agreement. Today, as head of state, I propose the agenda for that great agreement.

We need a meeting of and pledge from all active sectors in Honduras in connection with the vast national goal. We need a strong agreement, and that requires a strong civilian society, a strong private sector, and an equally strong state. A strong state is not a large state; it is a legal state, meaning a state which relies on the respect and trust of its citizens rather than weapons. A state that is sovereign rather than submissive in its dialogue with other states and with multilateral organizations. A strong state is the one which exercises strong leadership, assumes responsibilities, establishes goals, and achieves solutions.

To achieve this we will accelerate the state's modernization. I hope to see the leaders of every sector together at a work table, reaching agreements on ways to sponsor the overall development of our homeland; jointly establishing, with a lofty, patriotic, and fraternal spirit, prices and salary levels with the humane goal of allowing salaried Hondurans of enjoying a better lifestyle; jointly establishing production and productivity goals to increase our country's capability to compete; and establishing fair and intelligent agreements on the procedures that will allow us to increase the offer of export products, both traditional and nontraditional.

I hope the renewed and renewing spirit of a moral revolution imbues all Hondurans with a spirit that, like a votive candle, keeps alive the faith, decision, and courage to struggle and attain new levels of development, prosperity for all, and the moralization of the state's actions.

All this can happen based on the firm conviction that only if we move forward, united, will we be able to overcome the obstacles we face, and only if there is fraternal solidarity will we be able to safeguard social peace and build a Honduras where equity and justice serve as the basis for prosperity.

Fellow countrymen, this message to the Honduran people discusses only big problems that we must tackle right now. I will address the country again in a few months with regard to other aspects of my administration. It is necessary for the people to be constantly aware of the country's situation, its direction, and the main problems to be resolved. Knowledgeable people can better contribute to their own well-being.

We are concluding the preparation of a plan to modernize the state and public administration. I will refer to this problem another time. In the 39 days of my administration, the moral revolution has been initiated. Positive steps, fundamental to the country's development, have been taken. The Supreme Court of Justice is composed of honest and competent professionals. The appointment of the nation's prosecutor general was a big step forward. The new style of governing has elicited respect in Honduras and for Honduras.

It is possible to move forward and to improve; it is possible to produce more and sell more; it is possible to begin eradicating hunger and illiteracy; it is possible to control corruption despite its many disguises; it is possible to live better.

All this is possible only if it is based on our own efforts as the prime mover of development. I greet the future with optimism. I am enjoying these first steps on our march toward a promising development. I know the people of Honduras will not fail. The president of Honduras will not fail either. Thank you.

Comayagua Deputies Comment on U.S. Troops

PA1103155494 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 8 Mar 94 p 21

[Report by Fredy Guzman]

[Text] Tegucigalpa—In the opinion of Comayagua Department deputies, there is no reason for U.S. troops to continue being stationed at the Palmerola Military Base. However, several deputies believe the presence of U.S. troops could be justified if they are used to combat drug traffickers or to perform tasks that benefit the population.

Recently, President Carlos Roberto Reina said he favored the withdrawal of those soldiers. His opinion is shared by other sectors of Honduran society. However, on more than one occasion, U.S. embassy officials have asserted that the presence or withdrawal of U.S. troops stationed here depends on the Honduran Government's decision.

Liberal Deputy Valentin Suarez said: "The clashes between Honduras and El Salvador have ended, and the Nicaraguan and Salvadoran guerrillas no longer exist. Thus, the gringo troops should be out of Honduras." Suarez added that Hondurans, especially the people in the central departments, need Palmerola Military Base to turn it into an international airport. "In our country's situation, we cannot continue to invest in more airports," the deputy emphasized.

National Party Deputy Jose Rubio said the withdrawal of U.S. troops "is a decision the government must make and the Comayagua people should be asked if they want the troops to stay in Palmerola or not."

Liberal Deputy Donaldo Dominguez asserted that "the Cold War era has ended, but we now have to fight other things such as drug trafficking. In this respect we could use the help of foreign troops. However, we believe that in exchange for this, the Honduran Government should receive more from the U.S. Government."

National Party Deputy Salomon Padilla said that "we have to see the positive and negative aspects of the troops' presence. The presence of soldiers in our country is no longer necessary because the period of violence is over." However, he considers that the presence of the U.S. soldiers could be justified if they stay to improve roads, build schools, and implement other community programs.

Nicaragua

Weapons Diverted to Drug Traffickers

PA1103175594 Managua BARRICADA in Spanish 7 Mar 94 p 5

[Report by David Gutierrez Lopez]

[Text] Approximately 7,000 weapons of various calibers have been diverted from Nicaragua to drug traffickers in exchange for drugs, marine products, clothing, and household appliances, according to Lieutenant Colonel Ramon Arnesto Soza, chief of the Special Disarmament Brigade (BED).

To protect their merchandise, the drug traffickers use AK-47 rifles, grenade launchers, and RPG-7's manufactured in the former Soviet Union. Lately, there has been fear that they may even have in their hands the dangerous surface-to-air missiles, known as Redeyes, produced in sophisticated U.S. weapons factories.

It was estimated that in 1991 in Nicaragua there were approximately 80,000 weapons dispersed in the hands of civilians and armed groups. The disarmament process has secured 53,000 weapons of all types, said Ramon Arnesto Soza, during an exclusive interview with BARRICADA. It is also estimated that there are more than 150,000 explosive devices throughout the nation. There are still areas in the country that are completely mined where EPS [Sandinist People's Army] sappers have discontinued their operation due to lack of funds.

The military chief said: "The traffic of weapons diverted to drug traffickers is carried out in the Nicaraguan Atlantic area. Groups of Miskitos [Indian group] exchange rifles for drugs and other things." He added that thousands of weapons have escaped over the Honduran and Costa Rican borders. These weapons had arrived in Nicaragua through what is now Russia in the last decade to defend the nation from the war financed by the U.S. Government at that time.

Based on these numbers, there are still 27,000 weapons that have to be recovered; most of these are AK-47's. To secure these, approximately "3 million cordobas are required to offer cash in exchange for the weapons," said the BED chief who has led the disarmament of all the rearmed groups. This mission will conclude with the disarmament of the 3-80 Northern Front.

There are still approximately 700 armed men organized in small groups devoted to thievery and the kidnapping of peasants on the roads and highways, particularly in the northern part of the country.

The BED has disarmed 130 groups of rearmed men who operated in different parts of the nation's territory, among them 9,000 pro- Sandinist and 14,000 recontras of the Nicaraguan Resistance, Yatamas [Indian group], etc.

Disarming in exchange for cash, food, and other benefits supported by several nations is at a standstill due to a lack of funds. Currently, endeavors are being undertaken to secure enough cash to resume the program.

The 3-80 Northern Front members will be allowed to keep their small weapons—pistols and revolvers. They will be allowed to carry these legally once they turn in their war weapons. Subsequently, some will join the police, while others will go the fields to work.

In the coming months the BED that was initially comprised of 619 men—between EPS soldiers and former contras—will definitely disappear after they disarm El Chacal's men. These men are considered the last remnants of the recontras who took up arms again as a result of President Violeta Chamorro government's nonfulfillment of commitments.

Currently the BED has been reduced to barely 70 men who, once the last demobilization is carried out on 8 April, will be able to join the EPS to engage in other missions, Arnesto Soza said.

Human Rights Bodies Concerned About U.S. Deportations

PA1303003694 Managua BARRICADA in Spanish 12 Mar 94 p 2

[Report by Freddy Potoy]

[Text] National human rights organizations have reiterated their concern about the continuous deportations of Nicaraguans from the United States, and they warn "if this continues, it will become a critical problem for Nicaraguan families that receive remittances in dollars."

Doctor Bayardo Izaba Solis, of the Nicaraguan Human Rights Center (Cenidh), has said "this is the prelude to a process that might result in large-scale deportations, and this would negatively affect Nicaraguan families."

He has added the United States has granted asylum to the Nicaraguans who so requested during the previous decade, so it can do likewise now and help them again, and this attitude should not only be the result of a given situation and for political purposes.

The human rights violations expert has said many people—he did not specify how many—have requested letters or affidavits that state they have been subject to political persecution in Nicaragua, and they must remain in the United States in the interim.

Izaba has said U.S. immigration authorities must grant them some type of special immigrant status, and this will allow the Nicaraguan economy to recover slowly and be able to receive all the people deported from the United States.

Doctor Violeta de Sandino, assistant director of the Nicaraguan Human Rights Association (ANPDH), has told BARRICADA "we have spoken in Washington and said conditions are not favorable for these Nicaraguans to return to their country, and their cases should be reviewed."

"We believe a large-scale deportation would worsen the economic situation of the country and the families that receive dollar remittances," Violeta has said.

Sandino has said the ANPDH endorses an extension of the Nicaraguans' permanence in the United States, adding the political asylum demands submitted to the U.S. Government should be expedited.

C. Chamorro Analyzes Strike Failure

94CA0079A Managua BARRICADA in Spanish
5 Feb 94 p 7

[Article by Carlos F. Chamorro B.]

[Text] Because of that inclination from which we suffer for enthusiastically aggrandizing the people's struggles without engaging in any critical effort to review their blunders, the failure of the recent transport strike headed by the National Transport Council (CNT) went nearly unnoticed.

Attempting to be constructive, I would like to share a number of reflections not unrelated to those now being debated by the Sandinist Front concerning our methods of struggle and their relationship to the people's struggles.

The circumstances in which this strike took place were in total contrast with those that existed in September 1993, when the transport movement succeeded in representing the national consensus and heading up a vote of censure of the government's economic policy. That was a broader movement. This one was more focused, but influenced by other factors.

In the case at hand, the National Workers Front (CNT) had differing opinions about the viability of gaining widespread support for the movement. This in turn had an undeniable effect on the CNT's decision to try to show its own capacity for leadership.

Whatever the real reasons may have been—some allude to a background of competence for potential leadership of the CST [Sandinist Workers Federation]—these are matters deserving of serious review, given the results of the strike.

One little-known fact—at least in terms of the public—is that by calling off the strike Tuesday night, the CNT obtained nothing more than what had already been obtained by the other federations that signed an agreement with the government Saturday morning. The strike was suspended in exchange for a promise of talks and negotiations which others had already obtained at a lower cost.

The CNT leadership squandered the strike's peak of strength and political legitimacy last Friday, when negotiations were opened with the government as a result of pressure brought by the strike and with the participation of five other transport federations. At the precise moment that the CNT could have exerted the most influence by placing itself at the head of the negotiations, in order to put forward the just demands of the transport workers pitted against the government, it let itself get caught up in a hegemonic position.

The result was an overestimation of its own forces, which led them to underestimate other natural allies. This in turn made the division of the movement which the government had sought from the very beginning a far easier task. The CNT subsequently went about maintaining its own strike without being able to control acts of violence targeting other transport workers. This objectively weakened the vitality and legitimacy of the program.

An evaluation of this movement yields several troublesome conclusions, the most important of them being the need to take a new look at the conditions in which strikes are waged and the methods of struggle for promoting and effectively achieving their objectives, or at least part of them.

The best alternative would never be to stand idly by and abandon the strike tactic and methods of popular pressure. Rather, we must rethink the conditions under which strikes can be staged victoriously.

It is sad to admit it, but it would be even worse to stick our heads in the sand and refuse to recognize that this defeat has weakened an irrenounceable instrument of the people's struggle, which the strike is.

Social and trade union movements that follow this transport strike will have to meditate long and hard on their future steps. They must gauge their strength, identify their allies, choose more flexible methods of struggle in order to achieve a consensus, and clearly define objectives.

The Sandinist Front must take the same self-critical vision, reviewing its actions and political positions on the strike. Although this was indeed an autonomous movement of transport workers, we cannot deny that, having been defeated despite the support of Sandinists for its demands, the FSLN [Snadinist National Liberation Front] must share in the repercussions in order to draw lessons that will improve its leadership of coming contests.

Panama

Candidate Blades Explains Plan for Government

PA1303150094

[Editorial Report] Panama City Circuito RPC Television in Spanish at 0200 GMT on 9 March broadcasts its

60-minute "Democracy 94" program, which features a live or recorded interview with Ruben Blades, presidential candidate of the Papa Egoro Movement, MPE, by Hugo Enrique Famania.

The program begins with a short biographical account of Blades' professional, academic, and personal history and is followed by the interview.

Famania says Blades has proposed a democratization of the economic process and asks him to explain the term. Blades replies: "We must create conditions that will allow a true distribution of economic opportunities." He says this goal will be accomplished "in two phases; employment and investment," and notes the need to "disperse investment" to the countryside.

Famania then asks Blades if he plans to change the entire government system, which has traditionally been centralized. Blades says "it is not a matter of changing a system but an attitude." "We must design a national strategy leading to a national economic development plan, which is what we define as democratizing the economic process. All provinces must be included in this plan."

Regarding investments, Blades says that "the reason for the current paralysis is simple: We have not defined our national economic objectives. The government and the private sector are not working together, and the people are waiting to see what happens. In reality, no serious steps have been taken to repair the national infrastructure or to encourage investment. No effort has been made to expedite procedures to facilitate investment. No effort has been made to reach a concerted agreement among various sectors—labor, business, and government—as the Mexican Government did in a very intelligent move that culminated on 3 October 1993 with a pact for stability and employment. We have done absolutely nothing to give the country direction. Investment will not come to Panama unless we offer investors certain conditions."

Famania states: "You have spoken about investments and the formula for investment and employment. To what type of investment are you referring; state, private, or foreign?" Blades responds: "All types," adding that investments in Panama "are based on foreign credits, and all our revenues are used for public expenses, a situation that should not continue." Further on he adds: "Credits should be used for specific objectives that will not only create new jobs but will eventually pay the debt."

Blades continues: "Our basic problem—and what has made it impossible to renegotiate our debt under favorable terms—is that we are seen as a country that improvises. There is an uncertainty that undermines confidence in us, and for that we are paying a high price." He then stresses that if the country were to present to the international financial institutions "a specific program with all our projects, I am sure they would agree to grant us anything from a moratorium on debt payments to an increase in credits."

Asked how he would renegotiate the debt differently from the current administration, Blades says: "We must define our economic objectives; for example, Panama as an international tourist center, a maritime center, a telecommunications center, a financial center, and an export center. We must develop rural areas. We must create conditions for exports to bring foreign exchange to the country." He adds: "We must take immediate steps to help the agricultural and industrial sectors define their markets."

Asked if the country is ready for a commercial opening, Blades answers: "No, not yet. We are not prepared for a commercial opening. I think that would be crazy" because "it would hurt our industries and our small and midsize enterprises."

On the subject of privatization, Blades says: "I do not agree that privatizing assets has a strategic value for the nation because those assets belong to the country." He specifically mentions electricity, water, and telephone services, clarifying that "some areas in those services could be privatized." He notes that there could be some mixed enterprises.

Blades then elaborates on MPE proposals to reform the Labor Code to encourage investment. He says that "the labor and business sectors should sit down and study points of contention, discuss them, and arrive at a decision" to eliminate any perception that could discourage investment. He again uses Mexico as an example, saying that "the three sectors had to sit down and finally sign a pact of stability, competitiveness, and employment in October 1993. We should do the same thing in Panama."

Regarding the use of price controls on staples to reduce poverty, Blades says: "We must look for a solution to and directly attack the problems of hunger and poverty in Panama."

Famania turns to other topics, asking Blades which option he prefers to deal with problems in the health sector: coordination, integration, or open coordination with the private sector. Blades replies: "We must look for a formula among the various groups involved through a concerted effort and without excluding anyone." He adds: "We all want efficient and continuous health services for everyone at a national level."

Blades also reiterates his proposal that the government pay its debt to the Social Security Fund, noting that "this is one of the most serious problems affecting the Social Security Fund." "We must also consider the possibility of privatizing some services."

Famania says some analysts believe that one of the main obstacles to establishing effective public security and police forces is a fear of militarism. Blades, however, has proposed supporting the National Police with funding and logistical support to fight crime and drug trafficking. Famania asks: "Aren't you afraid of militarism?" Blades answers: "I am not afraid of militarism in that sense. Obviously we need an efficient police service with motivated, well equipped, and well paid policemen who are respected by everyone." "We must realize that we all have to protect the democratic system. I do not see why we should be afraid of an efficient, well trained police force." Asked "to what extent the country could be militarized in the defense of national sovereignty and the Panama Canal," Blades replies that "a special team or force could be created." He explains that one way to obtain the funds needed to raise policemen's salaries would be from the confiscated properties of criminals, which would also be a way to prevent corruption and bribery. He adds: "I sincerely believe that we will not return to the military past. The country will not allow that. We must have confidence in the police and support them."

Blades is then asked for his views on the future of U.S. military bases. Famania notes that the MPE's position has been that the military bases should not remain in Panama. He asks Blades what his plans are for the Panamanian employees and what he proposes as a replacement for that parallel economy. Blades says: "It is my personal opinion that the current system that benefits those employees should not be altered." Regarding the military bases, he says: "We believe we can use the areas now occupied by those military bases in such a way that the benefit from economic development will greatly exceed the economic benefits and employment the properties generate today." As for use of the reverted properties, Blades says there are many proposals, including transferring public offices and using some areas for housing projects, all of which will require careful study.

Commenting on the Interoceanic Region Authority, Blades says: "I think it is a little dangerous for an institution to determine the guidelines for that sector because there could be a conflict with the executive branch on the use of those areas. I think this situation should be corrected."

Asked what kind of relations Panama or a government headed by the MPE would have with Fidel Castro, Blades replies: "I think we should maintain relations with all governments. In Cuba's case, we must facilitate an internal democratic transition. I see no problem whatsoever in maintaining diplomatic relations with Cuba or China."

PRD Candidate Remarks on Electoral Violence

PA1203232394 Panama City Circuito RPC Television in Spanish 2300 GMT 9 Mar 94

[Report by Ciro Ortega; from the "RPC Television News" newscast]

[Text] Ernesto Perez Balladares, PRD [Democratic Revolutionary Party] presidential candidate, urged other political parties to avoid provocations and refrain from engaging in electoral violence.

Perez Balladares met with members of the Colon Free Zone Users Association today. He explained to the businessmen the need to reform the law creating the Free Zone, so as to make it more functional and to bring it in line with the demands of the world's economic market.

According to the PRD leader, if he wins the elections he will appoint the Free Zone manager from a list of nominees proposed by those businessmen. Perez Balladares emphasized the need for a Panama City-Colon highway, which will become a reality during his administration.

[Begin recording] [Perez Balladares] There are between 12,000 and 14,000 daily vehicle transits on this road. With appropriate tolls, this would translate into high revenues that could very well pay for the highway, should it be done by private enterprise. This is what we want to do.

[Unidentified reporter] What do you think of electoral violence and how it affects the PRD, given there has been some questioning and the Justice and Peace Commission is conducting an investigation?

[Perez Balladares] I think certain media, not you, have blown foolish incidents out of proportion. This must not be interpreted as a justification, because I do not justify these incidents. We are conducting an investigation so we can punish those responsible, if anyone is found, but let me tell you something: People usually let their emotions go during the political season; consequently, we ask our supporters to avoid confrontation. Let's not hold our political rallies at the same time our political adversaries do. Although they are not our enemies, they are still our adversaries.

On the other hand, I call on the media to discourage violence with ill-intended and false reports. I also urge other parties to avoid situations we may regret in the future. [end recording]

Perez Balladares said he will observe the Justice and Peace Commission's decision on a possible sanction over an alleged attack by PRD supporters against members of the PDC [Christian Democratic Party] and Arnulfist Party.

Argentina

Sale of Weapons to Liberia Suspended

PY1103213994 Buenos Aires CLARIN in Spanish 10 Mar 94 p 4

[Text] Defense Minister Oscar Camilion yesterday confirmed that there is a UN weapons embargo on Liberia. This has frustrated the sale of Argentine weapons worth $34 million.

Camilion denied to Radio Mitre that the operation was vetoed by the Foreign Ministry. He admitted that the sale "was canceled when the Foreign Ministry informed us of a UN weapons embargo on Liberia." All weapons sales abroad must be approved by a committee made up of high-ranking officials from the Defense, Foreign, and Economy Ministries.

The shipment to Liberia included 15 155-mm cannons, light weapons—such as FAL [Light Automatic Rifle] rifles—ammunition, and explosives.

The operation had made so much progress that the Military Industries had already dispatched the first consignment of weapons from the factory in Rio Tercero, Cordoba, on 80 trucks to the military factory in Pilar before its shipment.

The Defense minister said "two orders had been received: one was ruled out because it was for Croatia, on which there is a weapons embargo; and the other was for Liberia. We were informed at the last minute that there is a UN weapons embargo on Liberia."

The first time the deal came to light was when a group of Radical Civic Union deputies, headed by Antonio Berhongaray, asked last week if weapons would be sold to Croatia.

The great suspicion stemming from the frustrated operation to Liberia is that this poor country does not have $34 million in cash, unless it is acting as a "front" for the purchase. The shipment may be a triangular operation by Liberia, under which the arms would end up in Croatia, which is at war with Serbia within the former Yugoslavia.

Deputy Foreign Minister Fernando Petrella said that "at no moment" would a triangular operation to send weapons to a country in conflict, like Croatia, have been allowed.

It is not just that weapon sales to Croatia are prohibited by the United Nations, the operation would have caused problems for the Argentine Army battalion that is among the UN peace forces in the Balkans. In face of an operation of this kind, the Serbs could have retaliated against the Argentine Blue Helmets.

Camilion's remarks do not answer all doubts that stem from this controversial operation. The first is, if the Argentine Foreign Ministry reported the existence of an embargo, how come part of the order was shipped on 80 trucks and a draft decree authorizing the sale signed?

Official sources told CLARIN that during an initial consultation, a mid-ranking Foreign Ministry official informed the Military Industries that there was no objection to the operation. That is why so much progress was made.

However, given the importance of the subject, Camilion spoke on 3 March with a high-ranking Foreign Ministry official who confirmed that in principle there was no problem with the operation. The following day, however, the diplomat reported that there was a weapons embargo on Liberia which forced the Military Industries to suspend the operation which would have saved it for this year from the financial crisis in which it finds itself.

Di Tella Discusses UK Intelligence Training

PY1103222694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1845 GMT 10 Mar 94

[Text] Buenos Aires, 10 Mar (NA)—Foreign Minister Guido Di Tella said today that the British "need to pay more heed" to the Malvinas Islands in light of the diplomatic "pressure" being imposed by the Argentine Government.

Di Tella said that both the British and the islanders "have realized that the level of activity of the Argentine Government has increased drastically compared with past levels."

In making an evaluation of the "Operation Charming" by which the Argentine and British Governments are trying to effect a rapprochement, Di Tella admitted that "sometimes we do well, and sometimes we do not."

He showed confidence, however, in the progress of the talks, and believes that it would be useful "to have more contacts."

Regarding the real lifting of the arms embargo, Di Tella said the exact date is not yet known, but added that this issue has in any case "gone into the shadows, as something past and overcome."

Despite this, he said, a monthly evaluation of the issue will be made in the future.

In comments made on the radio, Di Tella admitted there is a possibility of buying Rolls Royce engines for Argentine Navy ships. He said: "After the first weapons are sold the embargo issue will no longer hold any water."

Di Tella also said that the unofficial talks to bring British secret agents to train their Argentine counterparts "have nothing to do" with the rapprochement being carried out by the Argentine and British foreign ministers.

"That was a discussion held by Hugo Anzorreguy," said Di Tella, who then explained that the issues discussed by the head of the SIDE [Secretariat for State Intelligence] were not those published by the newspapers.

Di Tella denied there was any contradiction in the idea of bringing British secret agents to Argentina, because "relations between intelligence services are considered normal, something that has to occur, and not anything abnormal."

He concluded by saying: "The same thing has to occur at all levels, with all friendly countries, and we are friends with Great Britain. Despite the differences we have over a given issue, there must be understanding, comprehension, and cooperation."

Accord Signed To Strengthen Ties With Brazil

PY1103211094 Madrid EFE in Spanish 1934 GMT 10 Mar 94

[Text] Buenos Aires, 10 Mar (EFE)—The Argentine and Brazilian foreign ministers, Celso Amorim and Guido Di Tella respectively, signed an agreement on 10 March on the need for regular meetings between the two countries aimed at strengthening their bilateral relations and stimulating the exchange of ideas and opinions.

Di Tella said that the agreement was signed after the two countries realized that Argentine-Brazilian bilateral relations were becoming too centered around Mercosur [Common Market of the South], that is, on talks centered around Mercosur concerns, while important bilateral aspects were being left aside.

The agreement was discussed last night, following a closed door meeting between representatives of the two countries to analyze Brazil's purchase of subsidized Canadian wheat.

Di Tella and Amorim also discussed the Argentine desire to have an option to join NAFTA, which is made up of the United States, Canada, and Mexico, without abandoning Mercosur.

The agreement establishes that the two countries' presidents will meet once a year, while representatives of all ministries and the foreign relations vice ministers will meet every three or four months.

Such meetings will create "ad hoc" working groups to discuss and follow specific matters.

Di Tella and Amorim announced the details of the agreement today, shortly before their meeting with the other Mercosur member countries' foreign and economy ministers. Mercosur is made up of Argentina, Brazil, Uruguay, and Paraguay.

Santiago del Estero Protest Draws 'Little Support'

PY1203223094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1122 GMT 12 Mar 94

[Text] Santiago del Estero, 12 Mar (NA)—Jose Zavalia, the Radical Civic Union [UCR] party boss in Santiago del Estero, last night headed a demonstration march that gathered little support from La Banda to this city, to protest the federal intervention headed by Juan Schiaretti and the Omnibus Law for the rational use of provincial resources.

In contrast with other demonstrations sponsored by Zavalia, on this occasion only about 1,500 people joined the radical leader in his demand.

At approximately 2115 a caravan of about 1,000 people left La Banda toward the capital, reaching the highway at the entrance to the capital at 2300, where 600 demonstrators were waiting, and where Zavalia was the main speaker at the anti-government demonstration.

Zavalia, who as usual participated in the rally mounted upon his chestnut steed, said that with Schiaratti's trusteeship "corruption continues" in Santiago del Estero.

It was explained that the demonstration was small because the unions plan to boycott the elections to be held on 10 April.

In another matter, Santiago del Estero provincial employees have already solved part of their problem over back pay, which was the reason for the outbreak of violence in this province last December.

On that occasion demonstrators had surrounded Zavalia in his house, and it even led to shots fired between Zavalia and the demonstrators.

As to why so few people participated, those responsible for the demonstration said that the reason was the "pressure" being exerted on the public by the trusteeship.

Zavalia headed the demonstration riding his horse, followed by about 100 buses contracted for the occasion, which were for the most part filled only by UCR militants and sympathizers.

In any case, this first demonstration of power by the Santiago del Estero radical forces in light of the upcoming elections for Constituent Assembly members was not a very convincing one for the UCR provincial leaders.

Businessmen View Problems, Competitiveness

94SM0229A Buenos Aires LA PRENSA in Spanish 6 Feb 94 p 3 Section 2

[Report on interviews with small and medium businessmen by Virginia Perez Araoz, Gladys Delvalle, and Marcela Lachman; place and date not given]

[Text]

Four Questions For Small and Medium Business (SMB)

LA PRENSA has spoken with a group of small and medium businessmen from various sectors. We posed four questions to our interviewees, most of whom agreed in our succinct dialogues that their companies are "defenseless," although almost none of them would exchange stability and the convertible peso for anything.

As for the interest rates that they would consider optimum, there was little agreement, except that the current rates are unaffordable. While the most radical would like to see international rates no higher than one percent, others would tolerate 7 percent.

The questions were:

1) What do you think 1994 will be like for your sector and, in particular, for your business?

2) What are the main competitive disadvantages that you face as a sector and as a business?

3) Do you think that there will be affordable private credit for small and medium business and what rate would be "affordable" in your judgment?

4) If you had three wishes in economic policy, what would they be?

Peso Must Be Devalued

Jorge Mazza, Manager of Vilmax, a dye manufacturing firm that exports two-thirds of its output:

1) Our company is regarded as one of the 100 innovators, but I think that it still has a long way to go.

The problem lies in the lack of responsibility and efficiency of the Argentine people. I feel that they do not do responsible work and that they would rather be charming and "hustle" everybody else.

2) What makes things hard for SMB is the exchange rate. Argentine costs are very high, and the result is an expensive, poorly made, inefficient product.

3) Loans would start to be granted if the government felt obliged to see this happen. Many SMB's are going to disappear unless they are helped. The tariff ought to be 5 or 6 percent.

4) Argentine costs that would enable us to compete internationally. A devaluation is needed. Italy is an example that ought to be kept in mind. They devalued the lira, and as a result costs did not rise. Our currency could be devalued if we did things in earnest.

Halt the indiscriminate economic liberalization, and control and determine the usefulness of things entering the country.

Let us educate ourselves so that we do better work.

Fine, But Without Anyone's Help

Omar Bacchi, owner of the Nogali cookie company:

1) I do not think that 1994 will be much different from 1993. Support for small and mid-sized industry will remain grudging. We can see the proof in what is happening with the federal fiscal pact. Everything is happening there as if industry, particularly SMB, did not exist.

In spite of the risk, my company is investing in technology (to the extent of my potential and by going into debt).

2) One of my main competitive disadvantages on the domestic market is having to convert my products and sales structure quickly to reach other segments of the market amid a recession and stiff competition.

On foreign markets, although we have the potential advantage of being an agribusiness, we have all of the disadvantages of the manufacturing sector in general and the lack of dependable government support (which is only talked about).

3) I do not think that there is going to be affordable credit, either private or governmental. The interest rate on loans should be in line with anticipated inflation.

4) To have a recovery on the domestic market; to see a genuine, dependable policy of support for SMB; and to see "affordable credit" and "production revolution," among other expressions, become more than just political slogans.

SMB's Help the Banks

Carlos Rodriguez, manager of Transfrigo, a refrigerated transportation firm:

1) 1994 is going to be a difficult, highly competitive year because there is an ever-increasing supply of transportation services, not only from freight haulers but also from the railways, which are more efficient in private hands.

2) The main problem is the lack of credit for investment. Having a place in the market means keeping up to date, and this demands investment in technology.

Ground rules are needed. Up to now there has been no specific oversight of our industry. Only recently has the government been performing the policing function that properly belongs to it and begun considering the need for a transportation law that would provide a basic frame of reference.

SMB's are the ones that have the most competition. Their competitors are individual truck owners, who up to now have shirked every obligation.

3) The banks are not helping SMB's, which are instead helping the banks. Interest rates should not exceed 7 percent a month; they should be between 3 and 4 percent.

4) Maintain stability; undertake labor reform and revoke any provision that violates free trade (regulations, fees); the government should get the policy of external investments moving.

A Clear-Cut Economic Policy

Mario Elkouss, managing partner of Longoni Electronics:

1) This year is not going to be the same all across the electronics industry. For example, things are going to be bad for telephones. The fact is that the country is seeing an indiscriminate economic liberalization, which complicates things for domestic firms, and even more so for SMB's.

On the other hand, I think that this is going to be a good year for services companies.

I feel that 1994 is going to be a good year for Longoni Electronics, as long as we work very hard.

2) The main disadvantage is the indiscriminate economic liberalization. Industrial decrees have established a zero tariff on many foreign goods entering the country.

One good example is transformers, which have been allowed to enter the country tariff-free, and as a result domestically made ones have disappeared. Our country now has only the spare parts market left.

3) I do not think that private lending is possible. The Central Bank has issued regulations mandating increasing guarantees and interest rates for lenders. The ideal interest rate should not exceed 1 percent a month.

The credit problem is serious for SMB's, which must modernize constantly by investing in top-quality machinery to compete with big business.

The ones that get loans take many months to pay them back.

4) An economic policy. The government has to state clearly what the ground rules are.

A recovery, inasmuch as without one there is very little circulation of money and you have to wait until you are paid to conduct transactions.

Good times for all sectors, not just my company.

Advertising and Deals That Close

Gloria Lopez Lecube, owner of FM La Isla:

1) Growth in the sector will be in line with economic growth: 4 or 5 percent a year. My company will likely continue growing, because the advertising pie, which is increasingly selective, will be divided up among those media that specifically represent the interests of each sector.

FM La Isla is aimed solely at the employers and executives with influence in essential decision-making. Also, we will have new products, such as the managers of pension funds that need to advertise to explain the advantages of the new system and capture potential customers.

2) The services sector and, in the area of communications in particular, my company are geared solely to the domestic market. The main competitive disadvantage is the growth of information pools in the print, radio, and airwave and cable television media, which restrict the development of the independent media.

The only way to compete is with a media approach like FM La Isla's, which aims at the stratum with high purchasing power and serves a selective listening and advertising public.

3) There is a national and international trend towards promoting SMB. An affordable rate to overcome the lending bottleneck would be 12 percent. Another measure that makes this year look better for SMB is the new law on business obligations, which allows entry into a market that had been reserved, until now, for big business.

4) Maintain growth, but make a qualitative leap called development.

Tax relief for investment, once and for all, in order to specify and speed up the capitalization of selected lines of business.

Lower the political decibel level in order to meet the challenge of the economy.

Long-Term Credit

Ernesto Mario Dimov, owner of Dimov S.A., a garment manufacturer that has its own brands and also operates under international licenses:

1) We feel that 1994 will be a difficult year for our sector because we anticipate a marked decline in consumption and a lack of confidence about the credit to be given to customers in general.

As for our company in particular, we feel that it will be a good year nevertheless.

2) The unfair importation of items at dumping prices, with underbilling and low tariffs in many cases, is perhaps our main competitive disadvantage.

High financing costs make it impossible to achieve the much talked about goal of lowering Argentine costs.

3) I do not think that we will have affordable private credit in the immediate future, inasmuch as our sector has practically no access to the economic plan that the government is implementing to help SMB. There is no lending support. The really important thing would be to have the long-term credit needed for expanded production so that we could plan and budget for our activities over these same periods.

We think that it would be reasonable to provide loans at preferential rates for domestic producers, with interest rates two or three points over current world rates.

4) Imports at real prices, because although there have been some tariff hikes, they are still not high enough.

A recovery, which is essential for continued progress in the economic arena.

A long-term credit policy, which is indispensable if we want to remain a domestic company.

Laboratories: "Another Good Year"

Juan Roberto Dominguez, owner of Dominguez Laboratories and vice president of the Cooperative of Argentine Patent Medicines Laboratories (Cooperala):

1) We will have a year very much like 1993. We are going to keep on growing, although there is going to be less and slower improvement for small and medium industries there than for big business. Large firms are going to continue absorbing smaller ones, which cannot survive on their own.

Since our business depends largely on bringing in new products (and the formalities for authorizing new patent medicines have been speeded up greatly under Cavallo), this is going to be a point in our favor.

1994 is going to be very promising for us as a business because we have begun exporting and already have contacts with Brazil, Uruguay, Paraguay, and Chile. We are selling two items on the overseas market: Demospresin and A-acid.

2) Mercosur [Common Market of the South] concerns us from a competitive standpoint, although it would not seem to be hurting us as much as it is the big laboratories.

We cannot compete with the prices of an economy as large as Brazil's or with the prices of local companies that manufacture pharmaceuticals in their plants in Uruguay or Brazil and then package them here.

3) I do not think that more affordable private credit for SMB is on the way. And today it is altogether unaffordable; I can say that from my own experience.

The foreign supplier company can give me financing for drugs because it has had me as a client for more than 50 years.

European equipment manufacturers, many of them Italian, are giving buyers of their products four or five years to pay for them, because their governments finance these loans as a way of promoting exports.

The ideal rate would be the international rate, which almost never reaches 1 percent a month.

4) Continued convertibility, because stability is linked to it.

The passage of the labor laws in order to lower costs and eliminate the chaos with gross earnings, among other advantages.

Clarification of the meaning of the patent medicines bill, giving consideration to the proposal of certain laboratories that, while not rejecting a patent law outright, want intellectual property respected but without monopoly patents.

A Difficult 1994 on the Way

Guillermo Gomez Galizia, a businessman in the health services sector and a full member of the Chamber of Medical Diagnostic Institutions (Cadime) and of the General Economic Confederation of the federal capital:

1) We anticipate difficulties in several sectors of the economy and especially in the SMB sector. Many of them have been unable to cope easily with reconversion; in contrast, those that have managed to stay afloat are having a very hard time adapting.

The sectors involved in consumer goods and the services sector have recorded a significant expansion in recent times, leading to excess supply at present.

2) The main disadvantages for SMB's in general on the domestic market are the inordinately high interest rates for firms of this size. The tax burden falls most heavily on production and consumption, not on income as in the developed countries. We suffer from technological obsolescence, arising mainly from these disadvantages. Services are expensive, which boosts production costs. And in the case of companies tied to regional economies, freight charges are uncompetitive because the transport SMB's have the same overall problems.

3) As the profile of SMB's is redefined, there will be a better chance of getting loans in the private sector as well. If the definition of an SMB is a company with, on the average, more than 200 employees, annual sales of over $15 million, or production assets of over five million pesos, then a great many are going to be left out.

As for the interest rate, if we have inflation indices like those in the developed countries, it should be in line with them.

4) Maintain the stability that has been achieved; take immediate steps to grow and create jobs; establish mechanisms so that SMB's can take full part in the economy and thus facilitate its democratization.

Efforts at Reconversion

Rolando Pietrantueno, chairman of the Argentine Industrial Council (CAI) and a businessman in the metalworking sector:

1) and 2) The manufacturing industry has been engaged in intensive reconversion since the economy was opened up through the convertibility plan, this being part of the policy behind it. The result was immediate price competition between imported and domestic goods.

Small and medium industry found itself at a clear disadvantage in achieving the goal as fast as was required and without "anesthesia." It made an enormous effort to cut its own internal costs but was severely restricted by external ones, which can be summed up as the so-called "Argentine cost," which includes fiscal policy, energy rates, ports, communications, the workmen's compensation law, and fiscal labor costs.

To this we can add the genuine difficulty of obtaining credit, which is an essential tool for bringing in the necessary technology to improve productivity and replenish the working capital that was lost as a result of hyperinflation.

3) Affordable credit will probably not be available until a solution is found to two central problems restricting it: a system of guarantees that is streamlined and dynamic enough to overcome this fundamental restriction, and project appraisal.

4) Maintain the stability that has been achieved; sustained, equitable growth that safeguards jobs and output; human beings should be regarded as the hub of the system and as the sole beneficiary of all economic activity.

Bolivia

Ex-President Garcia Meza Arrested in Sao Paulo

PY1103164594 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 11 Mar 94

[Text] The Federal Police arrested former Bolivian President Luis Garcia Meza in Sao Paulo this morning. The former president was hiding in an apartment located in a neighborhood close to the airport and carried a false Brazilian passport. He was taken into custody together with his aide-de-camp, Colonel Roberto Rico. Both of them had been charged with being implicated in an international drug trafficking network. Garcia Meza had been sentenced to 30 years' imprisonment and was a fugitive from Bolivian justice.

Government Confirms Arrest

PY1103212294 La Paz Television Nacional Network in Spanish 1700 GMT 11 Mar 94

[Text] Today we received one of the most important pieces of news of the year, a true happening, a news bomb, if you permit me the exaggeration, because it is something really significant.

The arrest of former President Luis Garcia Meza has been officially confirmed. The news has shaken the country. The capture occurred in Brazil. But I would prefer that Minister of Government German Quiroga inform you himself, through a special note prepared by Gabriela Orosco at Government Palace. The minister made official what we advanced at noon today. This is the official communique, read around 1230.

[Begin Quiroga recording] The government reports to the public the following:

1. Citizen Luis Garcia Meza, former de facto president of Bolivia, who was condemned by the Supreme Court to 30 years imprisonment without pardon, was captured early today in the Brazilian city of Sao Paulo.
2. Citizen Garcia Meza surrendered without offering resistance. He was captured while returning to his residence. Garcia Meza was staying in that city with false documents.
3. This has been an operation coordinated by Bolivian and Brazilian authorities working together.
4. The Foreign Ministry is taking steps before the Brazilian Government to extradite Garcia Meza to Bolivia.

This is all the information we can release at this time. Thank you. [end recording]

This was what the minister of government said in making official what was learned unofficially through the state channel at noon today.

Let us ratify the information. Luis Garcia Meza was arrested at Guarulhos Airport—one of the two international airports in that important Brazilian city—by the airport police at around 0800 this morning. At the time of his arrest he was accompanied by Gualberto Rico, who was one of his assistants during his 1980-1981 dictatorship. Rico was arrested for carrying false documents. The airport police arrested Garcia Meza on charges of carrying false identity documents.

Two possibilities are being studied: first, his extradition; and second, that he be expelled to Bolivia. Apparently the Brazilian Government does not want anything to do with Garcia Meza; it does not want to hold him a single minute longer than necessary, and it might want to deliver him to Bolivian authorities immediately. [passage omitted]

Peasants: Government Wants All Plantations Eradicated

PY1103230494 La Paz PRESENCIA in Spanish 27 Feb 94 p 7

[Article by Delfin Arias Vargas]

[Text] Even though Social Defense Secretary Mario Soliz said on 26 February that the so-called "Option Zero"—which envisages the total eradication of surplus coca plantations—is only a proposal and that its implementation depends on the international community providing the necessary economic aid, peasant leaders assert that it is already under way.

Soliz stated: "'Option Zero' is just a proposal. We must study it. This will take some time. No definite decision has been taken. It is a proposal by certain echelons of the government that we must assess. We must see what funds are available to implement it in the Chapare region."

In the view of several peasant leaders who spoke to this daily on the evening of 26 February, the violent action yesterday by FELCN [Special Antinarcotics Force] personnel in Chapare proves that the "proposal" to eradicate surplus plantations is already underway. Minister of Government German Quiroga denied such an outrage.

Soliz stated that until the proposal is made official, the U.S. Embassy in Bolivia cautiously awaits an outcome while monitoring further developments in the problem with coca growers.

He said: "They are waiting to make a more thorough assessment and to see how much money can be collected for this project. This must be supported by nations and international organizations with which we have friendly ties and which can give us the necessary funding."

This cautious U.S. stance was maintained by George A. Auflick, the DEA chief in Bolivia who. during a brief encounter with the press yesterday, declined to comment.

Soliz denied that opposition by the peasants to eradication will lead to clashes with Coca Eradication Directorate (Direco) officials who—supported by FELCN troops—have already eradicated some surplus plantations.

The tense atmosphere in Chapare robs Soliz's optimistic words of any credibility.

"The peasants are well aware that we are acting within the law. Moreover, the volume of plantations eradicated so far is negligible," he stated, emphasizing that the eradication of "a few hectares of illegal plantations" was done near where maceration pits had been discovered by the FELCN and that were used exclusively for the production of cocaine paste.

Given the desire to fully eradicate surplus plantations, the five coca growers federations from Chapare demand what they call "Option One"—the expulsion of all DEA agents.

During a interview with PRESENCIA last week, Soliz conceded that the proposal should be given careful consideration although he stated he did not know the reasons for this demand.

He said: "We cannot decide yet on something that we still do not know about ("Option One"), but we will certainly assess the role the DEA is playing in our country."

He added: "We must see how it can be beneficial for the country and how not. I believe we must investigate and seriously analyze what is right for us and what should be definitely discarded because it does not suit us."

On 14 February, coca growers from Chapare alleged that FELCN personnel, in coordination with DEA agents and Direco officials, compulsorily eradicated coca plantations.

This action is considered by peasants as the start of the total eradication of their plantations under the so-called "Option Zero." Even though this was denied by Soliz, he acknowledged that "there is concern in Chapare over what has been done (the eradication of illegal coca plantations) in keeping with the law."

This assessment sharply contrasts with that of coca growers, who noted that "they will not allow their plantations to be eradicated."

During a rally of coca growers last 18 February, Felix Santos, a peasants' leader, expressed this feeling by openly challenging the country's drug enforcement agencies. He stated: "If enforcement agencies kick us, we will club them; if they destroy our plantations, we will cut off their hands."

In light of the determination of the government, the peasants are demanding that "Option One" be implemented. Their leaders explained that this option entails the expulsion of all DEA agents, which could be analyzed by the government although there is a very remote possibility of this happening because U.S. economic aid to our country foresees the eradication of plantations. Let us hope this does not bring serious consequences in its wake.

Minister Denies Deaths, Explains Events

PY1103230694 Cochabamba LOS TIEMPOS in Spanish 28 Feb 94 p 1

[Excerpts] La Paz, 27 Feb—While being evicted from the Direco [Coca Reduction Directorate] offices in Ivirgarzama—in the subtropical region of Cochabamba Department early on the morning of 26 February—three peasants were injured and 60 were arrested and later released.

Minister of Government German Quiroga supplied this information and denied that anyone had been killed, as certain news media had reported. He said firearms were not used to evict over 1,500 peasants who invaded the Direco offices protesting the alleged compulsory eradication of their coca plantations. [passage omitted]

The minister reported that approximately 70 coca maceration pits have been discovered in the outskirts of Ivirgarzama in recent weeks. It is estimated that these maceration pits produced 3.5 metric tons of cocaine base per month. The discovery of these pits was the main cause for the eradication of some plantations in compliance with current laws. There was no compulsory eradication of plantations as claimed by the peasants who invaded the Direco offices in Ivirgarzama

Minister Quiroga said: "Relative calm has been restored and an agreement has been reached with the five federations of the tropical area of Cochabamba Department to begin talks during the first week of March to fully explain what Mobile Police Unit for Rural Areas personnel are doing and to give peasants the chance to speak." [passage omitted]

Satisfaction Expressed Over Frei's Remarks

PY1203201594 La Paz Radio Fides Network in Spanish 1100 GMT 12 Mar 94

[Text] Ximena Iturralde Sanchez de Lozada, the Bolivian first lady, visited the new Chilean President, Eduardo Frei, and his wife Marta Larraechea after his inauguration yesterday. President Frei said that the Bolivian sea coast claim is a pending issue, because international treaties currently in force are involved and that the way to approach this issue will be found. Frei said he hopes to have smooth relations with Bolivia during his administration.

Yesterday Bolivian Foreign Minister Antonio Aranibar thanked President Frei on behalf of the Bolivian people for his comments and wished him success in his administration.

[Begin Aranibar recording] The Foreign Ministry on behalf of the Bolivian Government and people expresses its satisfaction over the comments made by Arturo Frei Ruiz-Tagle, president of the Republic of Chile, in response to the message carried by the Bolivian first lady, Ximena Iturralde de Sanchez de Lozada, on the occasion of her visit to Santiago. The Bolivian Foreign Ministry upon reiterating to President Eduardo Frei its wishes for his success in his administration expresses its desire to continue this new and fruitful communication between the two countries. [end recording]

Brazil

U.S. Military Chief's Visit Seen as 'Significant'

PY1203033694 Rio de Janeiro O GLOBO in Portuguese 11 Mar 94 p 7

[Report by correspondent Jose Meirelles Passos]

[Text] Washington—General Barry McCaffrey, new commander of the U.S. Southern Command, who is responsible for all U.S. military activities in Latin America and for the implementation of President Bill Clinton's security strategy in the region, will arrive in Brazil on 15 March on a five-day visit to our country. Diplomatic circles consider his having chosen Brazil for his first visit to Latin America to be a significant political gesture. McCaffrey yesterday said his objective is to "improve the strong professional relationship" between the servicemen of the two countries.

In truth, this is the beginning of a relaxation in the relationship between the Brazilian and U.S. Armed Forces, which have recently experienced difficulties due to the training of U.S. troops on the Brazilian border, without the participation of the Brazilian Armed Forces.

During a recent visit to Washington, Foreign Minister Celso Amorim said that "the relationship deteriorated recently because there was the feeling that the United States was granting other Latin American countries more cooperation. The fact that the United States considered that the Brazilian military should fight drug trafficking also caused unrest in our barracks. We need to reverse that climate."

Since then, Brazilian Ambassador to Washington Paulo Tarso Flecha de Lima has been in frequent contact with the Pentagon, seeking to smooth the creases. He, for example, was the only Latin American ambassador to attend General McCaffrey's swearing-in as commander of the Southern Command on 17 February.

Flecha de Lima revealed that one of the main obstacles in the relationship between the Brazilian Armed Forces and the Pentagon began to be removed a few days ago. The ambassador explained that the problem was caused by a curious technical problem: No Brazilian military representative in Washington had ever been invited to Pentagon briefings (meeting during which the Pentagon's official reports are distributed) because Brazil, instead of having a defense minister as in other countries, has three military ministers. There are therefore three military attaches in the Brazilian Embassy in Washington. As the United States only invites one military representative from each country, it did not know which of the three Brazilian military representatives to invite—because to privilege one branch could give the impression that the other two were being ignored. This has been diplomatically settled using the seniority criteria: the most senior military representative will represent Brazil.

General McCaffrey will be welcomed in Brasilia by General Geise Ferrari, commander of the Army's land operations.

Accord With IMF Delayed; Mission to Visit U.S.

PY1303003094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Mar 94 p 8

[By Carlos Alberto Sardenberg]

[Text] Finance Minister Fernando Henrique Cardoso should be going to Washington next week to conclude the negotiations with the International Monetary Fund. An agreement with the IMF is a precondition for signing an accord for rescheduling the debt that Brazil owes to private banks.

An IMF mission that was in Brasilia discussing the Brazilian Government budget yesterday returned to the United States without having made a final decision. Economic Policy Secretary Winston Fritsch said there is no more disagreement about figures. A Brazilian technical mission will just the same visit Washington over the weekend to arrange the final details. Brazilian accounts are not easy to understand, if nothing else because the inflation rate is never known.

According to the foreign debt agreement timetable, the agreement with the IMF should have been ready on 10 March. The delay, which will be of approximately one week, was caused by the Brazilian Government's delay—Congress is also responsible for it—in voting on the Social Emergency Fund and the other measures for balancing public accounts.

Furthermore, the accounts of a country with a high, chronic, and diversified inflation rate are a mess. Which inflation rate should be considered, that in cruzeiros—which will disappear—or that in reals—the new currency? There are complex exchanges of funds between different government organs. The Central Bank, for example, makes profits through monetary correction of securities from the Treasury, which is the debtor. Yet the Central Banks returns this money to the Treasury, and the accounts are thus neutralized. In the middle of all these figures an IMF technician said during one of the sessions: "I am totally lost."

Police Arrest Yakuza Mafia Boss Wanted in Japan

PY1103204194 Rio de Janeiro O GLOBO in Portuguese 9 Mar 94 p 9

[Text] Sao Paulo—Hitoshi Tanabe, 32, one of the most wanted members of the Japanese mafia (Yakuza), was arrested on 7 March on a warrant issued by the Brazilian Supreme Court at the request of the Japanese Government. Tanabe is the leader of Dinshoukai, a faction of Yamaguchi-gumi, one of the main mafia organizations in Japan. The Federal Police [PF] arrested him in Londrina, Parana State.

Police officer Itanor Neves Carneiro said: There are strong indications that there are other Yakuza members in the country.

The PF suspect that Tanabe came to Brazil to run an international drug-trafficking ring and to send Brazilian women to Japan to work as prostitutes. The extradition request was based on the seizure of 5.8 kg of cocaine in the Japanese city of Shizuoka in February 1993. It was the fifth largest seizure of cocaine in Japan, an amount worth $4 million in Japan and $90,000 in Brazil. At that time trafficker Takahiro Shiba confessed to the Japanese police that the cocaine had come from Brazil, and that it belonged to Tanabe.

Like most Yakuza members, Tanabe has tattoos on his body from his chest down to his ankles. Upon his transfer to Sao Paulo, Tanabe confirmed that he is a ranking member of Yamaguchi-gumi, but declined to give details. Nor did he want to explain why one digit of the little finger on his left hand had been severed.

Tanabe has a daughter born in Brazil—Mary, 10 months old—and was living with her and his Japanese wife, Kiyomi, in Brazil.

PPR Leader Paulo Maluf To Run for President

PY1103214294 Rio de Janeiro O GLOBO in Portuguese 10 Mar 94 p 3

[Text] Sao Paulo—During a meeting at his house on the evening of 8 March, PPR [Progressive Renewal Party] leader Paulo Maluf told his main aides that he will run for president of the Republic. Maluf will have to resign as mayor of Sao Paulo on 29 March. Maluf's decision is not tied to his party's decision to form an alliance to support his candidacy.

Maluf made the announcement to five of his aides: Planning Secretary Claudio Lembo, Finance Secretary Celso Pitta, Government Secretary Edevaldo Alves da Silva, Highway Secretary Reynaldo de Barros, and Education Secretary Solon Borges, who is also the deputy mayor of Sao Paulo. It will be Maluf's third attempt to reach Planalto Palace: in 1984 he lost to Tancredo Neves at the Electoral College; and in 1989 he lost to Fernando Collor.

"I have already decided and I want to make it quite clear that I have already met with my government team. I am very well prepared," he said after lunching in Rio de Janeiro with Globo Organization President Roberto Marinho.

Claiming he would feel restrained if he announced his decision in Rio de Janeiro, Maluf only hinted that he would run for president:

"I have even studied the timetable. I cannot resign on 2 April because it is Saturday, and it will be published in the official gazette on Monday, which is 4 April. It is not good to do it on 1 April, right? March 31 might have a political connotation (anniversary of the coup of 1964). I cannot do it on 30 March because it will be published by the official gazette on 31 March. Consequently, my deadline is 29 March. It will be published in the official gazette on 30 March," he said.

Maluf reiterated that he would renounce his candidacy in favor of Bahia Governor Antonio Carlos Magalhaes (PFL) [Liberal Front Party], whose name "appears second in the polls" and who cannot be excluded from an alliance among the PPR, the PFL, the PP [Popular Party], the PL [Liberal Party], and the PTB [Brazilian Labor Party].

Maluf says he had dinner with Antonio Carlos Magalhaes three weeks ago. He noted that he will consider it discourteous if during a meeting scheduled for today, PFL President Jorge Bornhausen proposes that he give up his candidacy. Giving a personal example, Maluf criticized the proposed alliance between the PFL and the PSDB [Brazilian Social Democracy Party]:

He said: "Just imagine if [Workers Party President] Lula [da Silva] and I made an alliance. It would be cynical, hypocritical, and would reduce the number of votes for both parties. The PFL is much better with the PPR."

Maluf believes the implementation of the URV [Real Value Unit] is merely a dollarization, adding that Finance Minister Fernando Henrique Cardoso should not resign to become a candidate.

"He should explain whether the plan was made for the election or for Brazil," said Maluf.

Cardoso Denies Any Decision Made on Candidacy

PY1303002294 Rio de Janeiro O GLOBO in Portuguese 12 Mar 94 p 3

[Interview with Finance Minister Fernando Henrique Cardoso by unidentified TV Manchete and TV GLOBO reporters "at the door of his house" in Brasilia on 11 March]

[Text] [TV Manchete] Is Minas Gerais Governor Helio Garcia a good candidate for vice president on the PSDB [Brazilian Social Democracy Party] ticket?

[Cardoso] Helio Garcia is certainly a good candidate, even for president. I would like to reiterate that I saw today's newspaper headlines reporting decisions that are not mine, and information that I did not give to my party. The subject cannot be managed the way it is being managed, reporting that I decided this or that. Reports are somehow speculating over the advantages or the desires of interlocutors. In addition to its political nature, this is a very personal matter, of a family nature. This type of matter must be discussed with one's own closer relatives. It is not a matter to be treated in terms of he-said-that-he-said. I have not made any decision, and there is no reason for it. I will continue to work. I spent the morning with Central Bank President Pedro Malan, with whom I discussed the instructions he is taking to the United States for negotiating the foreign debt. Brazil has already rejoined the international financial community. The finance minister should thus not be worn out by reports by saying that he is candidate for this, or for that.

[TV Globo] The newspaper headlines saying that you have already informed President Itamar Franco of the day on which you will step down—are they inaccurate?

[Cardoso] I have not discussed a resignation day with anyone, not even with the PSDB. To the contrary, what I told the PSDB is that I can accept no conditions for a positive outcome. Any decision that I make will depend on a very impartial evaluation of what is best, first for the country, and then for me. This should be the procedure. I did not inform any party of this. I have only reported on my own difficulties, and I am saying this with total sincerity. Everyone knows that the PSDB wants me to be the candidate. I therefore need no manipulation in this regard. But I cannot say or do this or that if I am not certain that it will be positive for Brazil and for me.

[TV GLOBO] Would your resignation make the economic plan unfeasible?

[Cardoso] I don't believe so. It would be too pretentious of me. Yet I have the responsibility of verifying the effects that a decision to step down or to stay would have on the plan. The matter needs this elbow room. It also involves discussions within my intimate circle. I have a very good team, and I cannot just say "Ah, the minister has changed his mind." That is not my style. Through you I tell the country that this is a distressing decision. It is useless to speculate, because speculation is simply groundless. We are very far from the elections. The minister is not harming anyone. The minister is interested in other issues. The decision that I can make must be very carefully evaluated. I will not be driven by purely personal or partisan reasons.

[TV Manchete] PSDB President Tasso Jereissati has said that, if necessary, he will go to the ministry to pull you out of your chair. What is your reaction to this remark?

[Cardoso] The nails that are holding me there are very strong (laughs).

PT Creates Council To 'Isolate' Radicals

PY1203024394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Mar 94 p A6

[Report by Joao Domingos in Brasilia]

[Text] A council of notables, which will be coordinated by former Deputy Plinio de Arruda Sampaio, will steer the political course of the presidential campaign of PT [Workers Party] candidate Luis Inacio Lula da Silva. This council will also seek to isolate radical PT members. Invitations are now being extended to those who will serve on the council, which will start meeting already this month. It will be incumbent upon the council to evaluate—from the standpoint of society, not of party members—the advertising and political content of Lula's speeches.

Serving on this council will be people who are linked to the political history of each region. Its members do not have to be members of the party. In practice, the council will assume powers that are currently exercised by some radical members of the PT executive board, such as state Deputy Rui Falcao of Sao Paulo State. Falcao, Luis Eduardo Greenhalgh, and Gilberto Carvalho will join the PT leadership that will run the daily campaign. They will thus not have time to undertake any form of political analysis.

Falcao is one of the leading adversaries of the PT bloc in Congress, which consists primarily of moderate members. Falcao is frontally opposed to PT participation in the constitutional revision process, and has become known for his political intransigence. Arruda Sampaio said: "I cannot understand why the PT expelled the Socialist Convergence faction from its cadres, because Rui Falcao alone is far more Shiite than the entire faction." Like Workers Cause, another radical Trotskyite faction, Socialist Convergence has been proscribed within the PT.

The idea of creating a council of notables stemmed from the acknowledgement of the errors committed in the 1989 presidential campaign—when Lula was defeated by Fernando Collor—and from the fear that the "Shiites" may manage to control the PT campaign for the 3 October election. In 1989, the PT campaign managers had serious problems with regional party boards which were trying to influence the election and the use of free electoral advertising.

Constituent Congress Changes Nationality Rules

PY1103171194 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Mar 94 p 9

[Text] Brasilia—The constituent Congress yesterday rejected the recommendation of Rapporteur Nelson Jobim (PMDB-RS) [Brazilian Democratic Movement Party—Rio Grande do Sul] to abolish the posts of vice president, vice governor, and vice mayor. Of the 416 congressmen who were present at the session, 328 of them voted against this recommendation and 84 voted in favor, while four others abstained from voting.

Congress approved, in a second round of voting, an amendment that allows Brazilians to have dual nationality, thus modifying article 12 of the 1988 Constitution. Deputy Jobim believes this amendment "modernizes" the law. The measure abolishes the bureaucratic requirements to recognize the Brazilian nationality of those who are born abroad of Brazilian fathers and mothers.

The amendment made three changes to the original text, Chapter 3 of the Constitution, about nationality. The first change is that it is no longer necessary to register a child born abroad from a Brazilian father and mother in a Brazilian consulate or embassy in order to later obtain Brazilian nationality.

The other change was to reduce from 30 to 15 years the time of residence in Brazil required by a foreigner to obtain Brazilian nationality. Another change was in the provision that regulates the loss of Brazilian nationality. The amendment approved yesterday allows Brazilians to obtain another nationality when "the foreign law acknowledges the original nationality of the individual" and when "a foreign country imposes the naturalization of the individual as a condition to continue living in its territory or to exert his civilian rights."

Senate Approves Appointments To Control Prices

PY1103210994 Rio de Janeiro O GLOBO in Portuguese 4 Mar 94 p 4

[Text] Brasilia—On 3 March the Brazilian Senate approved the appointment of Ruy Coutinho do Nascimento as chairman of the Administrative Council for Economic Defense (CADE), and of Alkimar Moura as head of monetary policy of the Central Bank. Coutinho obtained 46 votes, with three votes against him and two abstentions, while Alkimar obtained 40 votes, seven against and two abstentions. CADE is one of Finance Minister Henrique Cardoso's main instruments to control oligopolies and cartels. It will resort to the antitrust law to prosecute, on behalf of the government, company directors who set excessive prices for their products. If found guilty, these directors may go to prison.

Chile

President Eduardo Frei Sworn In in Valparaiso

PY1103212994

[Editorial Report] Santiago Television Nacional de Chile Imagen Internacional in Spanish at 1317 GMT on 11 March begins live coverage of the presidential inauguration ceremony taking place before a joint session of Congress in Valparaiso.

The coverage begins with the Senate session to elect the Senate president. Following a tie vote and negotiations among the ruling and opposition bloc, Gabriel Valdes is declared the winner.

At 1425 GMT the visiting presidents arrive, beginning with Carlos Menem of Argentina, Juan Carlos Wasmosy of Paraguay, Violeta Chamorro of Nicaragua, Itamar Franco of Brazil, Luis Alberto Lacalle of Uruguay, Cesar Gaviria of Colombia, Alberto Fujimori of Peru, Sixto Duran Ballen of Ecuador, as well as Mrs. Ximena Iturralde de Sanchez de Lozada, wife of Bolivian President Gonzalo Sanchez de Lozada.

At 1449 GMT Army Commander General Augusto Pinochet arrives amid boos from the crowds near the congressional building.

At 1510 GMT Senate President Gabriel Valdes opens the joint session, which is being held in the congressional Hall of Honor and is attended by congressmen, outgoing and incoming ministers, the presidents' families, and visiting presidents.

Aylwin and Frei are sitting together on the main platform, together with Senate President Valdes and Congress Secretary Rafael Izaguirre. The congressional session begins with Congress Secretary Izaguirre reading the act by which Congress acknowledges the election results. Senate President Gabriel Valdes then swears in Eduardo Frei Ruiz Tagle as president of the Republic, after which Aylwin removes his presidential sash while Valdes proceeds to give Frei the presidential sash that once belonged to Frei's father.

The ceremony continues with President Frei swearing in his new cabinet, beginning with Interior Minister German Correa, followed by Foreign Affairs Minister Carlos Figueroa; National Defense Minister Edmundo Perez Yoma; Economy, Development, and Reconstruction Minister Alvaro Garcia Hurtado; Finance Minister Eduardo Aninat; Education Minister Eduardo Schiefelbein; Justice Minister Maria Soledad Alvear; Public Works Minister Ricardo Lagos; Agriculture Minister Emiliano Ortega; National Resources Minister Adriana Delpiano; Labor and Social Welfare Minister Jorge Arrate; Health Minister Carlos Massad; Mining Minister Benjamin Teplinsky; Housing Minister Edmundo Hermosilla; Transportation Minister Narciso Irureta; Minister Secretary General of Government Victor Manuel Rebolledo; Secretary General of the Presidency Genaro

Arriagada; National Planning and Coordination Director Luis Maira Aguirre; Production Development Corporation Executive Vice President Felipe Sandoval; National Energy Committee Chairman Alejandro Jadresic; and National Women's Secretary Maria Josefina Bilbao.

At 1540 GMT, Gabriel Valdes declares the end of the congressional session after which Frei leaves for Cerro Castillo Palace in Valparaiso to have lunch with official guests and his new cabinet.

President Addresses Public

PY1203001294 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2138 GMT 11 Mar 94

[Address by President Eduardo Frei outside La Moneda Palace in Santiago—live]

[Text] Chileans: I want to start this brief speech by voicing my gratitude to all of those who have given me your support and affection, which I want and hope to return with my great dedication to the hopes of all our fellow countrymen, and especially the most modest, the have-nots. [applause]

Our government will take into account the dreams and ambitions of Chilean men, women, and children. I also want to greet those students who passed their university entry exams with flying colors, who are with us now as special guests. [applause]

We are aware of our responsibilities and the difficulties of the task we are undertaking today. But, as I have repeatedly stated during the recent presidential campaign, I firmly believe this generation can wipe out extreme poverty from our country; that we can renew and expand our infrastructure; that we will substantially increase the GDP and our exports, change the structure of our education system, grow in a sustained manner, improve the peoples' living standards, and solve the peoples' concrete problems.

After these four years of socioeconomic growth and restoration of democracy we have an excellent opportunity, which we will not miss. This is an equal opportunity for all Chileans. This afternoon I also want to greet President Patricio Aylwin, who has bequeathed us a great legacy from his years in government. [applause]

The new times have started. It is not just a plan; it is a new phase in Chilean development. We must reorganize government in face of all the changes we are currently witnessing; we need to implement changes in the distribution of political power at the district, regional, and national level; we must bring about changes in the relationship between the public and private sectors, and changes in the role we play in the international arena. In sum, this is the beginning of a new historical phase, which we know, now that it is starting, will conclude when each and every Chilean decides to make an effort for the well-being of all Chileans. [applause]

Tomorrow afternoon, here in Constitution Square, I will announce the style of my government.

The La Moneda Palace building, where I arrived today in my capacity as president of the Chilean people, is witness to the history of our institutions, the strength of their servants, and the righteousness of our politicians.

From this site I humbly ask God to keep us on this path of service and effort.

With faith in Chile, in its people, and its future, deeply moved and thankful, I greet you all.

The men who governed Chile from here with effort, dedication, and love for the fatherland are responsible for the Chile we have today. We will continue to work with national awareness. With your support and that of all Chileans, we are going to bring politics and the people and their daily problems together. We are going to work hard every day to be with you, to solve the daily problems of millions of Chileans, and we are going to do this observing the high moral and ethical political standards that are necessary for the times we are experiencing. [applause]

I urge the Chilean people and, through you, the millions and millions of Chileans that have given us their support, to help me, to help carry out this beautiful task of building a unified country. I urge them to accompany me in this beautiful task, because the task of building and dreaming of the future, the task of building and dreaming of a developed and unified country at the threshold of the 21st century, is a task that concerns all Chileans. I am going to head this task, and with your support we will be successful; we are going to enter the 21st century as a unified, progressive country in which each and every Chilean feels part of a human country, feels that he has an opportunity. Let us walk with confidence and optimism, with faith in Chile's future. Let us go ahead. Long live Chile. [applause]

12 March Agenda Outlined

PY1203141594 Madrid EFE in Spanish 0811 GMT 12 Mar 94

[Excerpts] Santiago, 12 Mar (EFE)—Today Chilean President Eduardo Frei Ruiz Tagle, who took over on 11 March, will announce the main guidelines of his administration which will have the support of the same political alliance that backed up his predecessor Patricio Aylwin.

Rather than talking about "continuity," however, the new administration is announcing "new times", innovations and new initiatives. [passage omitted]

Interior Minister German Correa, from the Socialist Party, has announced that in the speech Frei will make today "he will outline the key objectives of his administration."

One of the main differences between Aylwin and Frei, a militant Christian Democrat just like his predecessor, is that the Frei has appointed a Socialist as interior minister and chief of cabinet.

Correa will also play the role of vice president whenever President Frei travels abroad. [passsage omitted]

Yet another difference between Aylwin and Frei is that the latter did not ask or receive suggestions from political parties that make up the government coalition for the appointment of ministers, under secretaries and other government officials. This attitude displeased several people, even some members of the Christian Democratic Party, the largest component of the ruling coalition.

Today's presidential agenda includes several bilateral meetings with visiting dignitaries, beginning with Peruvian President Alberto Fujimori. Later on Frei will meet with Brazilian President Itamar Franco, Paraguayan President Juan Carlos Wasmosy, and OAS Secretary General Joao Baena Soares.

The meetings will continue throughout the afternoon and at the end of the day there will be a rally at Plaza Constitucion, right in front of La Moneda Palace. On this occasion President Frei will make a speech in which he will outline the objectives of his 6-year term in office.

[Santiago Television Nacional de Chile Imagen Internacional in Spanish at 1259 GMT on 12 March reports that "at 1115 local time (1415 GMT) President Frei will briefly attend a reception at the Santiago City Hall and will begin his meetings with foreign dignitaries at 1130 local time. The formal reception that President Frei will offer to special guests at Plaza Constitucion will last from 2030 to 2300 local time."]

Frei Will Not Ask Pinochet To Resign

PA1303184294 Madrid EFE in Spanish 1719 GMT 13 Mar 94

[Text] Santiago, Chile, 13 Mar (EFE)—New Chilean President Eduardo Frei Ruiz-Tagle today said that he will not ask General Augusto Pinochet to resign as commander in chief of the Army, a post he will hold until 1997.

In his first news conference with local and foreign reporters, Frei said he will not emulate his predecessor Patricio Aylwin, who after his inauguration in March 1990 hinted to Pinochet that he should resign.

The new Chilean ruler said he will not tamper with the constitutional provision that establishes the permanence of military chiefs until 1997. Frei added, however, that he would promote constitutional reforms to again empower the president to appoint armed forces chiefs.

Frei emphasized that his relations with the Army and other defense institutions "will be impersonal" [as received] to ensure that such bodies also help the country face its great challenges and embark on a new phase of development.

Frei said that recent Air Force and the Army weapons purchases are not part of an arms race but the unavoidable renewal of already obsolete weapons.

The country needs an armed forces that is modern and ready to fulfill its mission of defending the country's territorial sovereignty and security, Frei added. The president said that weapons expenditures are not contrary to his political goals of overcoming the extreme poverty that affects more than 1 million Chileans.

Frei added that the armed forces are absolutely subordinate to civilian power.

Senate, Chamber of Deputies Presidents Elected

PY1203140494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 12 Mar 94

[Excerpts] [passage omitted] Gabriel Valdes was elected today as Senate president, and Socialist Senator Ricardo Nunez as Senate vice president, thus concluding one of the most anecdotal chapters of Chilean policy. According to a political agreement reached at the last minute, National Renewal Party. RN, Senator Sergio Diez will assume the position as Senate president in 1996, and Independent Democratic Union leader Eugenio Cantuarias will become the Senate vice president. One year later, RN Senator Sergio Romero will become the Senate president, while Cantuarias will continue in his position as Senate vice president. [passage omitted]

Party for Democracy Deputy Jorge Schaulsohn was elected Chamber of Deputies chairman with 65 votes against 51 votes received by rightist Independent Democratic Union candidate Andres Chadwick. Christian Democratic Party leader Juan Carlos Latorre was elected first vice chairman with 68 votes against 51 votes obtained by RN leader Marina Prochelle. RN Deputy Alberto Espina was elected second vice chairman with 95 votes. [passage omitted]

Colombia

Top Cali Cartel Leader Reportedly Surrenders

PA1203155894 Hamburg DPA in Spanish 1528 GMT 12 Mar 94

[Text] Santa Fe de Bogota, 12 Mar (DPA)—Julio Fabio Urdinola, a top leader of the Cali cocaine cartel, surrendered to Colombian authorities today, according to Radio Caracol, a private station in Bogota.

The report indicates that Urdinola surrendered to a prosecutor in the western city of Palmira. Also surrendering were Hector Porras and Ancizar Ardila, who were sought by Colombian authorities on drug trafficking charges.

De Greiff Confirms Surrender

PA1203170594 Hamburg DPA in Spanish 1555 GMT 12 Mar 94

[Text] Santa Fe de Bogota, 12 Mar (DPA)—Colombian Prosecutor General Gustavo de Greiff today confirmed the surrender of Julio Fabio Urdinola, a leader of the Cali cocaine cartel, in Palmira, a city in western Colombia.

Prosecutor General De Greiff told the privately owned "Caracol" radio station in Santa Fe de Bogota that 27-year-old Urdinola is charged with drug trafficking, illegal enrichment, and conspiracy.

De Greiff said Urdinola was accompanied by one person, not two as was reported earlier. The prosecutor general said he did not know who Urdinola's companion was.

The prosecutor general added that Urdinola's lawyer said that the mafioso will confess to his crimes. De Greiff did not say where Urdinola is being held, but it is believed that he is at the Palmira maximum security prison.

The prosecutor general said he has no information regarding the imminent surrender of Gilberto Rodriguez Orejuela, alleged head of the Cali cartel, whose lawyers have been discussing his surrender with judicial authorities.

Unconditional Surrender

PA1203192694 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1727 GMT 12 Mar 94

[Report by Sonia Rodriguez from "The Midday Newscast"]

[Text] Commenting on the surrender today of Julio Fabio Urdinola Grajales, a man described by Colombian and U.S. intelligence corps as a prominent figure in the Cali Cartel, Prosecutor General Gustavo de Greiff said it did not involve any concessions or special negotiations.

[Begin de Greiff recording] [Word indistinct] this man's surrender. He came forth and said he surrendered. The Attorney General's Office participated in this process, which is appropriate and in accordance with the law. Urdinola said he wanted to surrender, and the processes involved in the Prosecutor General's charges against him will continue. In his confession, Urdinola said he will calmly and seriously follow legal procedures without anything unusual, as it must be in a civilized society. [end recording]

Urdinola Grajales is facing three charges within the Colombian legal system. Prosecutor de Greiff explained:

[Begin recording] [de Greiff] Drug trafficking, illegal enrichment, and conspiracy.

[Rodriguez] With the surrender of Urdinola Grajales, do you expect Cali Cartel members to surrender en masse? Who is Jesus Ancizar Porras, who also surrendered today?

[De Greiff] I have no idea. Nor do I have any idea if Mr. Urdinola belongs to a cartel. That is part of the investigation. General Octavio Vargas, director of the National Police, told me that Mr. Urdinola was accompanied by a man named Jesus Ancizar Porras. My office has no information regarding the latter's activities; that is, illegal activities. The prosecutor handling the case may provide you with more information, but with the restraint the case warrants.

[Rodriguez] Recently there have been many contradictory views about the way you are implementing the surrender policy [five- second break in reception] how do you feel about it?

[De Greiff] The country must remember that I do not have sovereign power to implement those provisions because they are dictated by law. The accord was approved by judges and the National Court.

[Rodriguez] Do you know if the government assured Urdinola he will remain in Palmira Prison?

[De Greiff] As far as I know—of course this has just happened—there was no agreement or conditions for the surrender of those men.

[Rodriguez] Do you think this surrender will end the opposing views that have been expressed recently in the government?

[De Greiff] I think we must set aside the hysteria of this past week on differences between the government and the Prosecutor General's Office and continue ahead with a policy that can— and I stress can—be successful.

[Rodriguez] Why do you think the government is not allowing Pablo Escobar's five bodyguards to be moved to Itagui Prison?

[De Greiff] What do I think about it? I do not think the problem of guarding 25, 25 [repeats himself] criminals or less is something that cannot be controlled and solved. We would be extremely inefficient [words indistinct] if we could not control 25 criminals. [end recording]

Regarding the counts of drug trafficking, illegal enrichment, and conspiracy Urdinola is facing, I must tell you that a few days ago the U.S. Justice Department forwarded evidence against Urdinola and (Hernado Angel Garnet) to the Deputy Prosecutor's Office.

Justice Minister Comments

PA1203185194 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1745 GMT 12 Mar 94

[Interview with Justice Minister Andres Gonzalez Diaz by unidentified Caracol announcer in Santa Fe de Bogota on 12 March—live]

[Text] [Announcer] What is the government's position on the surrender of Valle del Cauca drug traffickers, which began today with the surrender of Julio Fabio Urdinola Grajales?

[Gonzalez] I think this is an important event in the fight against drug trafficking and a positive event in the struggle against crime. It conveys the idea that criminals are better off surrendering to justice rather than succumbing to the state's firm actions. To the extent that this process advances within the framework of effective cooperation so justice can be done, we believe it will help strengthen the country's judicial organization.

[Announcer] Is the government certain that drug traffickers who surrender will confess their crimes and cooperate with justice?

[Gonzalez] According to reports from the Prosecutor General's Office, we understand there is a willingness on the part of drug traffickers to cooperate with authorities and confess their crimes. Obviously, this will have to be evaluated and judged by the Prosecutor General's Office and judicial authorities. However, we do have reports on the drug traffickers' willingness to cooperate. They surrendered to authorities unconditionally. Let's wait for an evaluation from the Prosecutor General's Office and for the process to conclude.

[Announcer] Is the Palmira Prison a maximum security prison? Does it guarantee that these people will be safe there?

[Gonzalez] Once we received the information from the Prosecutor General's Office on the surrender of these individuals, we set aside a place within Palmira Prison and took special security measures. They will be submitted to an ordinary disciplinary regime, as well as to special security measures.

Once the projects for a security section within Palmira Prison are complete, they will be transferred to those installations.

[Announcer] Does the government know anything about other people surrendering?

[Gonzalez] No. There are no reports of other drug traffickers surrendering to justice. As the public knows, this surrender is part of a process of conversations and requests that has been under way for several months now under the direction of the Prosecutor General's Office.

[Announcer] We thank Justice Minister Andres Gonzalez Diaz. He just gave the government's official position on the surrender of Julio Fabio Urdinola Grajales.

Attorney General Comments

PA1203201694 Santa Fe de Bogota Inravision Television Network Cadena 1 in Spanish 1800 GMT 12 Mar 94

[Telephone interview with Attorney General Carlos Gustavo Arrieta by "NTC News" anchorman Felix de Bedout—live]

[Text] [de Bedout] For the past few weeks it has been obvious that you, the government, and the prosecutor general have grown apart. A few hours ago you said that the way this process has been handled could lead to impunity. Do you feel the same way after today's surrender?

[Arrieta] I think a couple of things need to be cleared up. There have been differences, which the people heard about. I have questioned some decisions because I think these matters must be handled within a process, respecting the rights and duties of each entity. I do not believe the government, the Prosecutor General's Office, or the Attorney General's Office have grown apart. We have had our differences. I think that what happened today is the best proof that if we cooperate with one another, as we did in [Julio Fabio] Urdinola's case, this process can work. The truth is that Urdinola's surrender was an announced surrender. For quite some time now there has been talk of a surrender. I do not think there are any differences between the government, the prosecutor general, and the attorney general on this.

[De Bedout] But the problem of impunity continues. Do you think the way things are being handled could result in impunity?

[Arrieta] I have said repeatedly that because our Penal Code is a confusing, profuse, and diffuse code, it could lead to impunity. I have also said that the best way to prevent this is for all the institutions that must work with the law to agree on how we should make it work. In other words, the prosecutor general would do his job, the government its job, and the attorney general would orchestrate the whole procedure and see that no one goes unpunished. If we can achieve this, even though the Penal Code is confusing, profuse, and diffuse, I think we can give the country a balanced and appropriate answer.

[De Bedout] Attorney General Arrieta, one subject that led to differences between the government and the prosecutor general was the transfer of certain Medellin Cartel members to a jail in Medellin. Do you think that transfer should be made?

[Arrieta] I cannot express my opinion on that matter. Depending on what happens, the Attorney General's Office may have to become involved in this matter, and if I expressed my opinion now, I would have to declare myself ineligible to rule on this matter. I would like to say that the law is clear. The law clearly establishes the duties of the prosecutor general and the government, and we are responsible for ensuring that none of the two institutions oversteps its authority in order to ensure that the law is respected, not just in this particular case but in all cases that are controlled and supervised by the Attorney General's Office.

[De Bedout] Thank you, Attorney General Arrieta.

Justice Minister Comments

PA1303032194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 13 Mar 94

[From the "TV Today" newscast]

[Text] The Colombian Government welcomed gladly today the report that two additional alleged Valle del Cauca drug traffickers had surrendered. They are Julio Fabio Urdinola Grajales, brother of Ivan Urdinola Grajales, and Jesus Ancizar Porras, who were interned at Palmira Prison, Valle del Cauca Department, where they will negotiate their penalties with the Prosecutor General's Office.

Urdinola Grajales arrived with his defense counsels and immediately was received by Regional Prosecutor Francisco Javier Hernandez and Palmira Prison Director Marco Antonio de Moya. During the legal proceedings after undergoing a medical checkup, Urdinola Grajales confessed to his participation in drug-trafficking activities.

[Begin recording] [Unidentified reporter] Will the police or Army be in charge of security?

[Captain Raul Benavides, Valle del Cauca police commander] It is the prison director's duty; we will back him up, however. [end recording]

Ancizar Porras arrived with Urdinola Grajales and confessed to his participation in crimes related to manslaughter.

[Begin recording] [Justice Minister Andres Gonzalez Diaz] This is an important and interesting event in the country's struggle against drug trafficking and organized crime; in addition, it underlines the fact it is more intelligent to surrender to the authorities than to perish as the result of the state's unceasing and determined actions.

[Prosecutor General Gustavo de Greiff] This is the result of a process in which the administration of justice, the government, and the police have cooperated. All of this has led to this surrender, and I hope it will also lead to other surrenders. [end recording]

Both Urdinola Grajales and Ancizar Porras will be held at Palmira Prison, where they will negotiate with the Prosecutor General's Office a quick end to the process they initiated with their surrender today.

Government Refuses To Relocate Cartel Members

PA1203014294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 12 Mar 94

[Report by Alvaro Ayala from the "24 Hours Newscast"]

[Text] Today, the Attorney General's Office insisted on relocating five Medellin Cartel members from Santa Fe de Bogota to Itagui. The government, however, through Justice Minister Andres Gonzalez, continues to resist this transfer. Today, the Attorney General's Office said its Medellin representative was who requested the transfer of the five people charged with being lieutenants of the late drug trafficker Pablo Escobar Gaviria.

A communique issued today by the Attorney General's Office states that, based on Article 35 of the Penal Procedures Code, the Medellin Cartel members must be accessible to the prosecutor in charge of their case, thereby allowing preliminary meetings and agreements. The government thinks differently however.

[Begin Gonzalez recording] Regarding their transfer, I have stated that, in our opinion, it is not advisable to gather the remaining Medellin Cartel members in the same place. [end recording]

Key Prosecutor Official Assassinated

PA1103173694 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 7 Mar 94 pp 1, 9a

[Text] Luis Hernando Correa Isaza, a key official in the surrender of several Medellin Cartel members to the authorities, was murdered by paid assassins in Calasanz neighborhood, northern Medellin, at approximately 1030 yesterday. Correa Isaza was the regional director of the Antioquia Prosecutor's Office technical corps. The assassins were traveling in a white Renault 9 and fled the scene after killing Correa Isaza. So far, authorities have been unable to locate the perpetrators.

Correa Isaza was traveling in a gray Renault 18 when several men attacked his car near a building at No. 82-24, 49B Street and shot him several times. The Antioquia Prosecutor's Office official was immediately taken to Pablo Tobon Uribe hospital in Medellin, where he died in the emergency room a few minutes later. Correa Isaza's driver was also seriously injured in the attack. Correa Isaza was reportedly going to look for his girlfriend when he was attacked.

Luis Fernando Correa, a 34-year-old lawyer who graduated from Medellin University, was a key government figure in obtaining the surrender of several criminals and implementing the witness protection program. He was widely known in legal circles for helping get Nicolas Escobar Urquijo, nephew of Medellin Cartel drug lord Pablo Escobar Gaviria, out of the country, and for helping transfer Escobar Gaviria's relatives to Santa Fe de Bogota. Moreover, Correa Isaza was conducting important investigations of people accused of belonging to the Medellin Cartel.

According to witnesses, Correa was shot by a young, stocky man dressed in blue who was picked up a few seconds later by a white Renault 9. It is therefore suspected that more people are involved in the crime.

Prosecutor General Gustavo de Greiff said he regretted the incident and although the reason for the crime and the perpetrators are still unknown, Correa Isaza was involved in many delicate investigations that could have prompted the murder. The ranking judicial official said the regional director of Antioquia Prosecutor's Office technical corps was a brave man who took too many risks because, despite his delicate position, he liked to move about the city alone or only with his driver.

Ivan Felipe Palacios, secretary of the departmental government, said "one cannot understand how such things happen to people who are only honestly and positively working in favor of justice and the country." He asked the Prosecutor General's Office to begin immediately an investigation of the crime, because "we cannot progress without finding the real culprits." He asserted: I am going to be very conscious of everything related to this case because it is very painful for justice and for the people of Antioquia."

During one of Correa Isaza's latest operations, 70 kg of dynamite were seized from the estate of the father of late Medellin Cartel member Alfonso Leon Puerta Munoz, alias "El Angelito."

Communique Defines Media Restrictions for Elections

PA1303154494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 13 Mar 94

[Communique issued by Communications Minister William Jaramillo in Santa Fe de Bogota; date not given; from the "TV Today" newscast]

[Text] The communications minister reminds all radio broadcasting media, television stations, cable television companies, and regional television organizations to comply with the following electoral rules:

1. The broadcast of video or voice campaign advertisements is prohibited as of 0000 on 12 March until the polls are closed on 13 March 1994.
2. There is a ban on radio and television interviews with the candidates during the same period.
3. Only public order reports confirmed by official sources may be broadcast on election day.
4. In accordance with Decree No. 397 of 1994, Article 3, the media may disseminate information on the electoral results only after the polls close.
5. During the voting, the media may only report on the number of people who cast their votes and indicate the corresponding voting tables.
6. In accordance with National Electoral Council Resolution No. 066 of 1994, Article 1, no results or predictions based on data obtained from exit polls may be broadcast.
7. In accordance with National Electoral Council Resolution No. 066 of 1994, Paragraph 1, no predictions or projections may be broadcast, even if they are based on polls or official data.
8. The Communications Ministry will ensure compliance with Law 84 of 1993, Decree Nos. 397, 463, and 540 of 1994, National Electoral Council Resolution Nos. 075 of 1993 and 066 of 1994, and current legal provisions to guarantee the integrity of the electoral process.

Bulletin Puts Samper in 1st Place in PL Primary

PA1403003894 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2305 GMT 13 Mar 94

[Report by Fabio Callejas from the National Civil Registry Office in Santa fe de Bogota—live relay]

[Text] Here is the first bulletin of the Liberal Party's [PL] internal primary. These results represent 2 percent of the tables; out of 45,837 tables, 946 have been counted. The potential number of male voters are 8,603,751, for female voters, 8,429,199.

The first bulletin of the Liberal Party's internal primary shows the following results:

Ernesto Samper Pizano is in first place, with 21,477 votes, representing 39.7 percent; second is Rodolfo Gonzalez with 12,286 votes, or 22.7 percent; third, Humberto de la Calle Lombana, with 6,556 votes, or 12.1 percent; fourth, Carlos Lleras de la Fuente, with 3,262 votes, or 6 percent.

The other candidates follow in this order: David Turbay—1,872 votes, or 3.4 percent; Carlos Lemos Simmonds—1,715, or 3.1 percent; Gloria Gaitan—1,204 votes, or 2.2 percent.

Total number of blank votes—2,739; null votes—2,958; total number of votes counted—54,059.

Candidates Acknowledge Samper Victory

PA1403013494 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2115 GMT 13 Mar 94

[Text] This is the first reaction to the results of the Liberal Party internal primary. This result, which the Caracol Network has predicted, coincides with figures provided by the National Advisory Center after an opinion poll was taken among 35,000 people.

Humberto de la Calle Lombana, with a remarkable improvement, received 14.77 percent of the vote. Ernesto Samper Pizano, 56.75 percent. This result has not accounted for blank votes; had these been considered, de la Calle would have received 14 percent versus Samper Pizano's 53.8 percent.

[Begin recording] [Announcer Dario Arizmendi] Dr. de la Calle, good afternoon.

[De la Calle] Good afternoon, Dario; glad to greet you.

[Arizmendi] Same to you. Congratulations for the result, which is considerably higher than that predicted by the week's earlier opinion polls.

[De la Calle] Undoubtedly. I am happy and want to tell you this is a good result. I have been in public life for only one year and think this has been a success, particularly for independent voters. I will write soon a paper that I intend to send to Dr. Samper accepting his victory and saying it was a clean and democratic victory. I will add, however, we are undoubtedly the second largest liberal force, that we will be present in 1998, that in that year I expect to take my ideas of constitutional development, renewal, and change to the Presidency, and that the message for me is one of optimism, gladness, and recognition of the people who have believed in our political proposals.

[Arizmendi] Considering this high percentage of votes in the second round, as you said, the fact that you have been in political work for barely one year and [words indistinct], what do you expect in the new liberal organization that Samper Pizano had announced previously? Do you think you can rightfully claim the chance to run for the position of vice president of the Republic?

[De la Calle] As I have said many, many times, I have ruled out the possibility of running for vice president. I am sure I must keep after ideals; this is based on principles, ideas, and the renewal process I helped push forward in 1991.

I will keep on working. I thank my voters; they can rest assured I will run for president in 1998. Meanwhile, all I want is to recognize Samper Pizano's triumph. All of us liberals should sit down and make a sustained effort to update the party, to push it forward, and to strengthen the liberal platform with the various political inclinations expressed today.

My immediate invitation is for Dr. Samper to study these various shades of liberalism, to create a platform incorporating all of them despite their differences, admitting opinion polls have been useful, that there is a process to reinforce the Liberal Party's unity. This unity, as I have said many times, is programmatic rather than arithmetical. I am open to discuss programs and platforms to consolidate a triumphant Liberal Party program.

[Arizmendi] Do you intend to work with the same fervor and zest as before, now that you have attained the second highest percentage of votes in the Liberal Party?

[De la Calle] I intend to sit down soon with Dr. Samper to discuss this new and revived Liberal Party program, which must include and revolve around renewal, change, participative democracy, and social policy. I think the moment demands a programmatic and ideological process of discussion, which should be the true basis for a true Liberal Party unity. I recognize his victory, but I think it is necessary to go one step beyond the figures. In a few minutes, I will invite Dr. Samper to make this programmatic effort to unify liberalism in depth where the unity is genuine; that is, ideas.

[Arizmendi] Very clearly, Dr. de la Calle has admitted Dr. Samper's victory and announced he will address a note to him in a few hours. De la Calle expects to meet with Dr. Samper in a few days to discuss the Liberal Party's future. De la Calle also announced he will run for president in 1998 and that he would never run for vice president on a single ballot with Samper, who came out a clear winner in the Liberal Party primary.

Carlos Lleras de la Fuente expresses his opinion on this result. He only participated in the campaign for three weeks but received 7.8 percent of the vote, without accounting for blanks, and 8.22 percent considering blank votes, after the primary was held with 35,862 interviews conducted by the National Advisory Center. Dr. LLeras de la Fuente, good afternoon and welcome to the Caracol Network.

[Lleras] Good afternoon; how are you all?

[Arizmendi] Very well, Sir. Are you happy and satisfied? Did the result take you by surprise?

[Lleras] I am very happy. Although the campaign lasted barely 20 days, I received 8.22 percent of the overall vote; this is more than a success, a success which I believe has never been seen before in Colombian elections.

[Arizmendi] Did you expect a percentage this high?

[Lleras] I have always been optimistic; so I expected to obtain very good results. The figures confirm the people responded to the call to vote according to their consciences.

[Arizmendi] With this result in mind, do you intend to run for the 1998 elections, as de la Calle just announced? Or will you initiate some political exercises of a spiritual nature before making any decision?

[Lleras] I think you still remember my spiritual exercises in parks. Beginning tomorrow, I will do spiritual exercises until the Liberal Party convention, when I will make a final decision. This result is very encouraging for anything I may have in mind for the future.

[Arizmendi] Will you support Dr. Samper's presidential candidacy for now?

[Lleras] Of course. This is the pledge I made when I entered the Liberal Party primary. As I have always said, a gentleman's pledge must be complied with, regardless.

[Arizmendi] If Dr. Samper asks you, will you tell him your profile of the candidate for vice president?

[Lleras] I do not know what Dr. Samper will ask me. I talked with him last night. I intend to phone him in a while to congratulate him for his victory and reiterate something that had already been said by Dr. de la Calle and that I had already proposed. I am referring to the need to create a permanent ideological platform for the Liberal Party, not one created every time there are elections, rather, one that can be a guide for the next government and the party's future. [end recording]

Samper, Reyes, Pastrana Remark on Elections

PA1403033794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 14 Mar 94

[Report by Aris Fogel; from the "TV Today" newscast]

[Text] Colombia can be satisfied. Once again it has demonstrated its democratic spirit. It showed the guerrillas at the polls that it wants peace. Amid a climate of calm, it elected the people who will make up the Senate and Chamber of Representatives in the new Congress. As for the Liberal primary, partial returns from the National Civil Registry Office indicate Ernesto Samper Pizano won. He referred to his victory, as follows:

[Begin Samper recording] I have received the message. I interpret the triumph in the primary as a mandate for social change. To achieve it, we must transform the Liberal Party so that it will again be a faithful interpreter of Liberal ideals. The party cannot continue to be a representative of old policies, which citizens want to change. [end recording]

Although Samper's presidential candidacy must be ratified and confirmed by the Liberals' 18 March convention, it is taken for granted he will receive his party's support.

For its part, the Conservative Party was pleased with the progress achieved in the parliamentary elections, as was stated by Conservative Party Director Cornelio Reyes.

[Begin Reyes recording] The exit poll results announced by Caracol indicate the Conservatives are getting more than eight Senate seats. It will have 10 new seats in the Chamber of Representatives. [end recording]

Andres Pastrana, presidential candidate and leader of the New Democratic Force, described today's elections, as follows:

[Begin Pastrana recording] It is a triumph of democracy over violence. I think this is very important, that the people went out to vote, despite the fact—we say sadly—we did not get the results we wanted. Abstentionism is still very high. I hope I can convoke the Colombians, as I intend to do, so that on 8 May we can defeat abstentionism in Colombia. [end recording]

Samper Appeals for Liberal Party Convergence

PA1403032494 Madrid EFE in Spanish 0139 GMT 14 Mar 94

[Text] Santa Fe de Bogota, 13 Mar (EFE)—Ernesto Samper Pizano, who won the internal primary of the ruling Liberal Party to select the presidential candidate for the upcoming 8 May elections, appealed today for a "convergence to defend the excluded."

Samper Pizano, a 43-year-old Bogota attorney and economist, former financial leader, former senator, former minister, and former ambassador to Spain, won the ruling Liberal Party's "internal primary" and became the presidential candidate for the 1994-98 term to replace President Cesar Gaviria.

"I am satisfied and happy with the results," Samper said, thanking those who voted for him in the primary, which was held simultaneously with the legislative elections. He said he is "committed with all Colombians of goodwill."

"Our challenge is to seek a new opportunity so the liberal ideas will continue to prevail to the benefit of all Colombians," Samper said. He vowed to return to the policy of credibility. If he wins in May he will head the third consecutive Liberal administration since 1986.

Ernesto Samper, whose victory will be affirmed on 18 March during his party's national convention, obtained 46 percent of the votes, beating Humberto de la Calle, Carlos Lleras de la Fuente, Carlos Lemos, Rodolfo Gonzalez, David Turbay, and Gloria Gaitan.

Samper urged his rivals to "set aside our differences to join in the common task of reuniting, renewing, and transforming the party, to achieve a rapprochement," not in exchange for bureaucratic posts, rather, through "basic understanding."

He also announced the economic opening carried out by current President Gaviria, under whom Samper was development minister and ambassador to Spain, must be complemented by creating more jobs and "improving many Colombians' standards of living."

"The people have spoken and have shown they still trust Liberalism, its principles and ideas, as the best way to govern Colombia," Samper said. He said the liberal majority elected in the Congress today "must be confirmed by a triumph in the presidential elections."

"The people of Colombia, as in other parts of Latin America, want a change of course. They want more job opportunities and better living conditions for their families," the Colombian candidate stated.

Although the 8 May presidential elections will have 10 candidates from different parties, Samper and Conservative presidential hopeful Andres Pastrana are favorites and have registered a "technical tie," according to recent polls.

President Casts Vote in Legislative Elections

PA1303212994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 13 Mar 94

[from the "NTC Newscast"]

[Text] President Cesar Gaviria Trujillo was the first citizen to cast his vote. With his wife Ana Milena Munoz present, he produced a copy of his identification card and cast his vote for the Senate, Chamber of Representatives, and Liberal Party presidential candidate elections. The president ruled out a break in relations with Cuba in the wake of an alleged meeting of Colombian guerrillas on the Caribbean island:

[Begin Gaviria recording] It is obvious in international relations we cannot take action until facts are verified. [end recording]

The president termed as positive the surrender to justice of alleged drug trafficker Julio Fabio Urdinola. Gaviria said he hopes the Prosecutor General's Office and the Justice Ministry will smooth out their differences.

[Begin Gaviria recording, in progress] ...that we will be able to reach an agreement with the Prosecutor General's Office. [end recording]

President Gaviria will remain at Narino Palace with his minister to monitor the elections.

Registrar Remarks on Liberal Party, Senate Votes

PA1403024894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0158 GMT 14 Mar 94

[Interview with Colombian National Registrar Luis Camilo Osorio by Jesus Garzon in Santa Fe de Bogota; from the "TV Today" newscast—live]

[Text] [Garzon] Good evening. It is now 2058, and we have a last-minute bulletin after 22.5 percent of the Liberal Party's internal votes and the Senate votes have been tallied. According to the latest figures from the National Civil Registry Office, 48.94 percent of the tables have been tallied throughout the country. Mr. Registrar, according to the National Civil Registry Office's figures, who has won the Liberal Party's elections?

[Osorio] Ernesto Samper leads with 43 percent, followed by Humberto de la Calle with 15 percent, and Carlos Lleras with 7.42 percent. I want to warn this barely represents 42.5 percent, meaning the situation may change in different regions of the country.

[Garzon] There is a low voter turnout and many null votes. Why? How can you explain this, Mr. Registrar?

[Osorio] Apparently some people did not know how to use the ballot, so they simply deposited it, believing they were thus voting for a given party when they should have marked a candidate.

[Garzon] Who has swept the votes for the Senate of the Republic so far?

[Osorio] Two candidates from Caldas lead right now, but I must warn you that Caldas is in second place. We have 100 percent of the votes from Amazonas Department, and Caldas follows with 98 percent of the votes, so it is not strange for two candidates from Caldas—Victor Renan Barco in first place and Omar Yepez Alzate in second—to lead.

[Garzon] What is the situation regarding the Chamber of Representatives, Mr. Registrar?

[Osorio] Regarding the Chamber of Representatives, we have information about a 100-percent count in certain departments, and there are others where over 90 percent of the votes have been counted, meaning more than 10 departments. We are still gathering information, so we do not have a distribution by party and movement.

Government: Legislative Elections 'Success'

PA1403000994 Hamburg DPA in Spanish 2350 GMT 13 Mar 94

[Text] Santa Fe de Bogota, 13 Mar (DPA)—The Colombian Government described today's legislative elections as a "success," stating the voting signified the triumph of peace and democracy over the violence perpetrated by those who sought to curtail citizens' rights.

According to Government (Interior) Minister Fabio Villegas, "the Colombian people's civic-mindedness triumphed in the face of a minority which, hopefully, has heard the majority's repudiation of their violent practices."

The official referred to in this regard the actions of communist guerrilla groups that in the past weeks increased attacks to sabotage the elections.

Villegas said the subversives perpetrated several attacks, which all the people repudiated. He referred to especially the kidnapping of 32 electoral authorities in the eastern Department of Santander, which caused the suspension of the elections in the small town of Carcasi.

A little more than 17 million people over 18 years of age were eligible to vote, but the small turnout at the polls, a habit of Colombians that this time increased due to intense rain, raises the fear of increased abstentionism.

There was a 45-percent abstentionism in the legislative elections held in 1990. This figure increased to 70 percent in 1991 when a new Congress was elected, after the National Constituent Assembly, which promulgated another Constitution that year, promoted the dissolution of the legislative body.

The voters elected Ernesto Samper as the presidential candidate of the ruling Liberal Party, because, according to unofficial reports aired on radio networks, he obtained at least 46.3 percent of the votes.

The Liberal Party elected its candidate in an internal "Popular Referendum" availing itself of the infrastructure of the elections. If the results are confirmed, as it is taken for granted, Samper will be the Liberal Party presidential candidate who will run against Conservative Party presidential hopeful Andres Pastrana in the May elections.

Defense Minister on Legislative Elections Situation

PA1303213194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 13 Mar 94

[Interview with Colombian Defense Minister Rafael Pardo Rueda by Diego Hernan Canal from the Defense Ministry in Santa Fe de Bogota; from the "NTC Newscast"—live]

[Text] Military forces have reported normalcy throughout the country at this time, though there have been certain incidents of public disorder in various places. For example, in San Juan de Rioseco, Cundinamarca Department, two FARC [Revolutionary Armed Forces of Colombia] members died during a clash; three other subversives died during clashes in (Matanza), Santander Department.

The president of the Barranca de Upia Council, Meta Department, was killed, and several buses were attacked in Barrancabermeja. The most complicated situation is still in Carcasi, where more than 30 people are still being held hostage. The guerrillas have not allowed the elections to start in (Santa Rita de Iro) and Condoto, Choco Department.

Voting officers have not yet shown up in Montecristo, Achi Municipality, Bolivar Department; their whereabouts are unknown.

Defense Minister Rafael Pardo Rueda is here. Mr. Minister, despite these public disorder incidents, do you think the elections are taking place normally in the country?

[Pardo] You reported on actions directly related to public order; that is, on clashes with the subversives and criminal acts. They are unrelated to the electoral process. As for things concerning the electoral process, I could specifically mention the situation in Carcasi, where the voting officers were kidnapped on 12 March. Carcasi has three voting tables and a little more than 1,000 registered identification cards. A small armed group has tried to prevent the people from voting in Condoto, which has fewer than three voting tables. In Montecristo, a corregimiento of Achi, Bolivar Department, the voting officers failed to show up at 0800 to comply with their duty and start the voting; that is, there are problems at less than 10 voting tables out of 45,000 or a little more than 45,000 voting tables.

[Canal] Could we assume the voting officers in Montecristo were also kidnapped?

[Pardo] We have no information in this regard.

ELN Kidnaps Electoral Officials in Carcasi, Santander

PA1303191594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 13 Mar 94

[From the "NTC News" newscast]

[Text] The guerrillas have tried in vain to thwart the democratic determination of hundreds of Colombians in an extensive area of Santander Department. The Efrain Pabon Front of the ELN [Army of National Liberation] kidnapped 31 [number as heard] delegates and voting officers in Carcasi, (Garcia Rovira). Meanwhile, efficient operations by the authorities have allowed voting to take place normally in the area.

[Begin recording] [Reporter] The delegates and officers were traveling in five vehicles when they were intercepted by an ELN front in Carcasi Municipality, eastern Santander Department. The subversives are holding seven National Civil Registry Office delegates and 25 students who were going to (Toboson) to serve as voting officers. The guerrillas freed the driver of one vehicle, who subsequently informed the authorities.

[Second Division Commander Manuel Bonnet; identified by caption] We have been helping the National Civil Registry Office and the Governor's Office since this morning. We have the material here at the brigade and are ready to transport it via helicopter. The troops are also ready to ensure that the elections are held in those areas.

[Reporter] The kidnapping occurred on the afternoon of 12 March, and by that evening the National Civil Registry Office had dispatched new delegates to see that elections would be held in the place where the subversive incursion occurred. The military forces said the elections are progressing normally in that zone. [end recording]

Authorities Released

PA1403030894 Hamburg DPA in Spanish 0159 GMT 14 Mar 94

[Text] Santa Fe de Bogota, 13 Mar (DPA)—Thirty-two electoral authorities who were kidnapped by guerrillas before today's congressional elections in Colombia were released tonight (local time) in the eastern Department of Santander, according to press sources.

Members of the pro-Cuban Army of National Liberation (ELN) perpetrated the mass kidnapping. This action prevented the holding of elections in the small town of Carcasi.

The rebels intercepted a bus and took seven members of the National Civil Registry Office, which organized the elections, and 25 students who were going to act as voting officers in that locality, to an unknown destination.

During the past month, groups linked to the Simon Bolivar Guerrilla Coordinating Board (CGSB) intensified their attacks to sabotage the legislative elections, although the government said today those attempts failed.

In addition to kidnapping electoral authorities, the CGSB also kidnapped three government officials in Cesar Department, blew up a stretch of the country's main oil pipeline, attacked intermunicipal buses, and activated medium-intensity bombs that did not cause any victims.

Colombians renewed today 102 Senate seats and 163 in the Chamber of Representatives (deputies) and elected Ernesto Samper as presidential candidate for the Liberal Party, which used the opportunity to hold an internal "popular primary."

Venezuelan Forces Reportedly Cross Into Colombia

PA1203012494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 12 Mar 94

[From the "24 Hours Newscast"]

[Text] Ten Colombian fishermen, including two boys, were detained minutes ago by members of the Venezuelan National Guard who entered Colombian territory. The fishermen were in a channel in La Rubiera Zone, east of Arauca. Other fishermen managed to escape and they say they were treated as guerrilla members; adding they still have no information about their coworkers' whereabouts.

Paraguay

Peasant Crisis Prompts Replacements of Officials

PY1103202994 Asuncion NOTICIAS in Spanish 9 Mar 94 p 23

[Excerpt] On 8 March Paraguayan President Juan Carlos Wasmosy appointed Mario Lujan Melgarejo as acting president of the National Development Bank [BNF] replacing Rolando Eligio Bogado Martinez who was thanked for his services as head of the BNF.

The appointment of Mario Lujan Melgarejo, a economist by profession, is the second time President Wasmosy has replaced a key official in his administration since the peasant crisis began. The peasants criticized the Agrarian Reform Institute, the BNF, and the Agricultural Development Fund for not serving the interests of farmers. [passage omitted]

Peasant Leaders Reject Wasmosy Remarks

PY1203212994

[Editorial Report] Asuncion NOTICIAS in Spanish on 12 March publishes on pages 2 and 3 three articles on peasant leaders' reactions to comments made by Paraguayan President Juan Carlos Wasmosy in Santiago, Chile, about problems causing social unrest among peasants in Paraguay.

On page 2, a 200-word article by reporter Robert Figueredo from Coronel Oviedo notes that local peasant leaders consider the comments by Wasmosy "inappropriate." The leaders furthermore believe, according to the article, that "Wasmosy's intention is to divert international attention from the real problems affecting the majority of peasants." Leader Rafael Ruiz Diaz, who is coordinating the mobilization of peasants for a demonstration in front of Congress in Asuncion on 15 March, is quoted as saying: "This is the type of comment that shows the government's negative attitude toward listening to our demands, but it gives us greater unity, more enthusiasm, for the large demonstration to be held in front of Congress on 15 March."

On page 3 a 300-word article by reporter Adolfo Traverssi from Villarrica notes that the main peasant leader in Caazapa, a Mr. De los Santos Vazquez, said that Wasmosy's comments are "not true." He added: "If the president said that the peasant leaders have not planted a single square meter of cotton, I will say of him that he is a tourist president. Thanks to peasant leaders like us, he is always travelling." Santos said he was astonished that while Wasmosy was abroad he had discredited the peasants who are doing miraculous things to produce more for the benefit of the country. He added: "Instead of discrediting us, our president should seriously think of changing his government policy and aiming his cooperation toward the rural areas, where the Paraguayan economic potential is located."

Also on page 3, an unattributed 300-word article notes the comments made by Tomas Zayas of the Alto Parana Agricultural Association. Zayas said that Wasmosy's comments are "shameful, as he is unaware of the real situation of his own people." Zayas added that anyone could see just by looking that there has been a 50 percent reduction in cotton production, and not 5 percent, as indicated by Wasmosy. Zayas said: "The president and those responsible for the country's agricultural policy are irresponsible, because that figure was disclosed by officials of the Agriculture and Livestock Ministry." Zayas also rejected Wasmosy's comments that the peasant leaders are agitators. He said they are peasants living in a land that had been expropriated by Congress and vetoed by Wasmosy. Zayas concluded by saying: "The president has shown once more his irresponsibility in looking for agitators, subversives, guerrillas, communists, and atheists among the peasants."

LAPSA Announces Suspension of All Flights

PY1203002094 Asuncion ABC COLOR in Spanish 9 Mar 94 p 17

[Excerpt] "Ladies and gentlemen, Paraguayan Airlines [LAPSA] announces the suspension of all its flights." This is the announcement that might have been expected, but it was never uttered. The lack of money said everything, and therefore the airplanes did not fly yesterday, operations being suspended until the company is privatized. If the airline had continued to operate it would have lost $4.3 million this month. A quick decision by Congress is expected for its privatization. The bill will be submitted to the Chamber of Deputies on 10 March.

Yesterday at noon, the LAPSA Board of Directors suspended the DC-10 flight to Miami. Then the Privatization Council announced to the Board of Directors the suspension of all flights. The operations were suspended because without state aid the company had no funds to continue operating. The president of the Bicameral Privatization Committee said if operations continued the company would lose $4.3 million in March alone. [passage omitted]

DPRK Delegation Visits To Promote Bilateral Ties

PY1203011994 Asuncion ABC COLOR in Spanish 11 Mar 94 p 12

[Text] DPRK Vice Premier Kim Pok-sin arrived yesterday in Paraguay, heading a delegation that seeks to establish diplomatic ties with Paraguay. During a news conference, Kim Pok-sin said the DPRK is an independent country and as such he sees no obstacle in establishing ties with other independent countries.

The DPRK delegation is scheduled to meet with political party leaders and the vice president. The delegation also plans to meet with President Juan Carlos Wasmosy. Government sources questioned have stated, however, that this meeting is "uncalled for" because Paraguay and DPRK have no diplomatic ties.

This is the first DPRK delegation to visit Paraguay. It is an unofficial visit. The delegation is visiting in response to an invitation extended by the Febrerista Revolutionary Party (PRF).

During a news conference at the international airport, Kim Pon-sin said this visit follows his country's wish to strengthen ties with Paraguay.

Asked if the ideological and territorial differences with South Korea will obstruct an eventual establishment of diplomatic ties, Kim Pok-sin said: "We are an independent country and we are aware of the patriotism of Paraguayans. We also know that Paraguay is an independent country. I do not believe there will be many problems."

PRF President Victor Hugo Sanchez stated that the visit of the DPRK vice premier "may be the start of auspicious bilateral ties."

Kim Pok-sin is scheduled to meet Vice President Angel Roberto Seifart tomorrow at 1000. At night the PRF board will host a reception in honor of the DPRK delegation at the party headquarters.

On 12 March, the delegation will visit the Itaipu dam which, Kim Pok-sin said is of particular interest to them because the DPRK builds hydroelectric dams. It has been reported that the delegation is scheduled to meet party presidents next week.

Wasmosy Supports Colombia's Gaviria as OAS Head

PY1203222494 Asuncion NOTICIAS in Spanish 12 Mar 94 p 13

[Text] Santiago, Chile—Paraguay will support the candidacy of Colombian President Cesar Gaviria to become the OAS secretary general. This confirmation was made yesterday by President Juan Carlos Wasmosy, during an approximately 20-minute meeting with Gaviria at the Carreras Hotel in Santiago.

It has also been learned that the U.S. assistant secretary of state for inter-American affairs, Alexander Watson, asked Paraguay to vote for Gaviria, whose efforts in the struggle against drug trafficking and the Colombian mafia have satisfied Washington.

"We confirmed our support for him," said Wasmosy after the meeting with Gaviria, even though the previous administration of General Andres Rodriguez had promised its support to Costa Rican Foreign Minister Paul Niheaus, who is also here in Santiago holding meetings seeking support.

NOTICIAS talked with Gaviria on his desire to become OAS secretary general. Gaviria said he hopes the result of the final elections in the OAS will serve to strengthen that inter-American organization.

He said: "I have great confidence in their maturity, in how the countries value my representation and what I can do as leader of OAS."

Asked about the pressure the United States is reportedly exerting in favor of his candidacy, he said: "I believe the United States is simply expressing the opinion it has always held on the qualifications I may have for holding that position. That or any other country of the Americas has the right to express an opinion publicly."

Wasmosy, U.S. Official Meet in Chile

PY1203210194 Asuncion NOTICIAS in Spanish 12 Mar 94 pp 2,3

[By special NOTICIAS correspondents from Santiago, Chile]

[Text] The United States has asked Paraguayan President Juan Carlos Wasmosy to be "prudent" in handling peasant problems, bearing in mind recent social outbursts in the continent, as in the Mexican region of Chiapas. During his meeting with Alexander Watson, U.S. assistant secretary for inter-American affairs, Wasmosy acknowledged the situation but at the same time lashed out at peasant leaders, stating that they spend their time blocking roads but do not plant a single square meter of cotton. Watson also asked the Paraguayan Government to explain why U.S. troops and materiel were not allowed to enter Paraguay.

The U.S. Government is closely following recent problems with Paraguayan peasants. These problems are a source of some concern, given the social outbursts that have taken place in Latin America, namely in Santiago del Estero Province in Argentina, in Chiapas Province in Mexico, and in some Central American nations to a lesser degree.

Assistant Secretary Watson clarified certain controversial items that had caused some tension in Paraguayan-U.S. relations, asked President Wasmosy for caution and prudence in dealing with the demands of Paraguayan peasants, and advocated dialogue and consensus between the parties involved.

Wasmosy admitted that the high-ranking U.S. official had indicated that the peasant problem should be handled very carefully, and reported that he explained to Watson that the people blocking roads were not exactly peasants. "I told him that the people who are blocking the roads are leaders who have not planted any cotton themselves. There are, however, some peasants who—because of low productivity—will not be able to recover from three years of bad crops, even if the price of cotton hits 850 guaranies per kilogram," Wasmosy said.

Wasmosy also reiterated his pet argument that in the framework of a free market economy it was not up to the government to set the price of cotton.

Asked about the U.S. reaction to the conditions that the Paraguayan Government had set to admit U.S. troops, Wasmosy answered that the doors are open to any joint exercise with the Paraguayan Army and civilians, "provided it does not violate any constitutional principles. I believe that we made this very clear and he (Watson) was very satisfied," Wasmosy added.

President Wasmosy stated that the U.S. State Department official wanted to know firsthand the official report on the aborted military operation that the United States had asked to be allowed to conduct in the area of San Pedro. It would seem that Watson listened to this report carefully, as it may have a bearing on any further U.S. military assistance to Paraguay.

Watson also reiterated that the U.S. Government is still concerned over the evidence it has that Paraguay continues to be a key link in regional drug trafficking. "I told him that we need help, training, and resources, to fight drug trafficking." Wasmosy said. He emphasized that Washington's envoy heard out the concerns of the Paraguayan Government and will relay them to the appropriate U.S. drug enforcement officials.

Together with the other chiefs of state who have arrived in Santiago, Wasmosy went to Valparaiso at noon on 11 February to attended President Eduardo Frei Ruiz Tagle's installation.

President Wasmosy will return at approximately 1500 local time today together with OAS Secretary General Joao Clemente Baena Soares. There is no official information on the agenda of Baena Soares in Paraguay.

Peru

Shining Path Allegedly Trying To Reorganize

PY1203152194 Madrid EFE in Spanish 1707 GMT 11 Mar 94

[Text] Lima, 11 Mar (EFE)—Despite the hard blows it has sustained since the arrest of its founder Abimael Guzman in 1992, the Maoist Shining Path [SL] movement is still trying to reorganize and, above all, regain the strength it has lost in Lima.

This was established after Counterterrorism Directorate (DINCOTE) agents arrested 13 SL terrorists, among them two women, during a dragnet operation between 24 February and 7 March. Information on this operation was disclosed a few hours ago.

According to the police, the arrested individuals belong to a recently created SL organization called "New Network" [Nueva Red] which apparently has replaced the "People's Aid" which, up to now, had been in charge of selective murders and of providing logistic support for SL attacks.

The police have also said that the "New Network" has started to proselytize in Lima shantytowns in an attempt to gain new supporters and "establish a new social platform" in order to form "combat committees."

The "New Network" has three secretariats: militants who belonged to the "People's Aid"; a committee of relatives of arrested individuals; and a department for workers and neighborhoods.

The police have also spotted houses belonging to the terrorists in various Lima neighborhoods.

Lima has always been very important to the SL because the attacks perpetrated in the capital have a greater impact abroad, such as the destruction of buildings and dozens of deaths on Tarta Street in Miraflores, a residential neighborhood in Lima, a few months before Abimael Guzman was arrested in Lima on 12 September 1992.

Guzman was arrested with all his closest aids, the same as the leadership of the Tupac Amaru Revolutionary Movement (MRTA) which has sustained even harder blows than the SL. Ninety percent of the MRTA leaders, the same as the SL leaders, are under arrest and have been sentenced to life imprisonment.

Since then the decay of the SL, which, according to Peruvian President Alberto Fujimori will have disappeared by 1995 when he leaves government if he is not reelected, has been notorious.

The Peruvian Communist Party, which is the SL's true name, has split up. One of the branches is headed by Abimael Guzman who, in letters addressed to President Fujimori in 1993, urged his followers to maintain peace and order and not to perpetrate attacks.

The SL leaders under arrest, after a meeting arranged by the government in Lima, decided to support the appeal for peace made by Guzman but those who are still free have not followed suit.

Although the two groups maintain that they respect the ideology of "President Gonzalo" as Guzman is called in the cryptic SL language, the truth is that the movement has split up.

Moreover, there is no information on Guzman's relationship with the government, about which a lot was said until a few days before the 31 October 1993 referendum to approve the new Peruvian Constitution.

Oscar Duran, aka Feliciano, seems to be the new SL leader. He and Nestor Cerpa Cartolini, the only important MRTA leader still free, are being sought.

The daily ONDA today reported that DINCOTE has dismantled Cerpa Cartolini's plan to reactivate the MRTA, in an attempt apparently similar to that of the SL.

CSJM Accuses 18 Officers of Embezzlement

PY1103214094 Madrid EFE in Spanish 1954 GMT 10 Mar 94

[Text]—Lima, 10 Mar (EFE)—A spokesman for the Peruvian Military Justice Supreme Council (CSJM) reported today that a Peruvian military judge has asked for the indictment of 18 Navy officers for their involvement in the embezzlement of $40 million.

CSJM Judge of Inquiry Marco Rodriguez Huerta delivered his report accusing the 18 officers to War Hall Auditor Luis Delgado, so that he might request that the prosecutor formally ask for a jury trial against these individuals.

The 18 officers have been accused of allowing the embezzlement to take place, systematically and over a period of a number of years, at the offices of the Peruvian attache in Washington. The crime was discovered in November 1992.

Up until now it was believed that only 11 officers were involved in the case.

The main culprit in the case, Enrique Villagarcia, an old administrator in the attache's office, was condemned to eight years' imprisonment in the United States in June of last year for violating laws forbidding the use of illegal funds in U.S. financial institutions.

Villagarcia confessed to that country's judiciary that he spent most of the money on cocaine, race horses, and prostitutes.

Among the officers involved in the case are a vice admiral and four rear admirals who occupied positions in the Navy Economy Directorate and who were Navy attaches in the United States.

The case was denounced by Peruvian President Alberto Fujimori, who said that Villagarcia justified the use of the money with forged deposit certificates, drafted with the complicity of American Security Bank and Potomac Valley Bank employees.

Daily Views Fujimori's Lack of Electoral Rival

PY1103221994 Lima EXPRESO in Spanish 22 Feb 94 p A2

[Commentary by Manuel D'Ornellas: "Seeking a Rival"]

[Text] In the next few days we will know whether the sentences passed down yesterday against the military men charged in the case of the murder of 10 students of La Cantuta University will be capable of counterbalancing the negative impact caused by the approval and promulgation of the law or legal trick that kept this case under the jurisdiction of the military court.

Moreover, it remains yet to be seen whether these sentences can repair the tattered image of President Alberto Fujimori whose loss of popularity is reflected in the poll conducted by Apoyo, Inc. published in this same issue. As we said last Sunday, as long as this loss of popularity does not increase that of other politicians, in theory, it can be recovered.

But it is also a fact that the ups and downs of popularity can also result in waves of increases and losses that will become uncontrollable. This was the case of the growing popularity gained by Fujimori's candidacy that, toward the end of the 1990 electoral campaign, at a given point became devastating. The same happened with Alan Garcia when he tried to place the banking sector under state control and his popularity dropped month after month, after having reached the highest level of popularity ever reached by a Peruvian leader.

It is true that in both cases there was a political polarization that does not exist nowadays. In both cases, Mario Vargas Llosa's strong personality played a key role in this political polarization. Vargas Llosa was responsible for Garcia's loss of popularity. Vargas Llosa himself also witnessed how an unknown candidate deprived him of an electoral victory of which he was certain.

Now Fujimori does not have a rival who could capture the support he is losing as is revealed by the very poll that shows his loss of popularity. Not even the promoted and respected image of [Javier] Perez de Cuellar attracts a significant portion of the support the chief of state is losing.

Undoubtedly, some believe that Lima Mayor Ricardo Belmont would be the person—from every viewpoint—to gain from an eventual polarization with Fujimori.

So far, however, this polarization has not materialized. Maybe because Belmot is still not regarded as a firm presidential candidate for the elections which are only one year ahead of us. If Belmont were to officially launch his candidacy, the race with Fujimori to gain the peoples' support would be well worth witnessing.

Government Announces Creation of 1 Million Jobs

PY1203155594 Lima LA REPUBLICA in Spanish 23 Feb 94 p 2

[Text] New Minister of the Presidency Raul Vittor Alfaro yesterday said that the government will create "at least one million new jobs" during the year. The minister also announced the construction of 31,000 new three and four story housing units throughout the country to help the poor.

The minister said these housing units will be financed by Fonavi [National Housing Fund], mortgage bonds, and a percentage of family savings. The minister added, however, that in some cases the government will provide 100 percent of the financing.

Alfaro said the government is anticipating a total investment of approximately $360 million a year. Sixty percent of this total will be financed through the sale of mortgage bonds and 20 percent will come from family savings.

The minister did not give figures on investments in Lima or the number of units planed for the capital. He mentioned, however, the largest interior cities of Cajamarca, Ayacucho, Chiclayo, Piura, and Tumbes, among others.

Alfaro, who left the Education Ministry and moved to his new post only three days ago, did not mention details, but added that other projects on the drawing board include the feeding of students, increasing the rations of the glass of milk program, building school centers, and implementing electricity projects.

"These programs will create new jobs. We are thinking of building 300 schools on top of what is being contemplated by Foncodes [National Compensation and Social Development Fund]," Alfaro said.

The minister made these remarks during his swearing in ceremony at government palace.

Later, during a meeting with the presidents of Regional Administration Transitory Councils, he called for the immediate implementation of a strategy to fight poverty, defeat recession, and create jobs throughout the country through regional governments and by offering incentives to the private sector.

Alfaro said that one of his portfolio's priorities is to fight extreme poverty and asked the 12 regional presidents and the presidents of Corde Lima [Lima Development Corporation] and Corde Callao [El Callao Development Corporation] to begin working seriously, cautiously, responsibly, and honestly.

"Let us begin working immediately so that one year from now, in March 1995, the people can say now we have jobs," Alfaro said.

"This is what the government wants, to create the greatest possible number of jobs," the minister added.

During the meeting, the minister and the presidents discussed this year's projections and the programs that will be implemented in the regions.

"We must make optimum use of our human resources. It will greatly help our development," the minister said.

Prime Minister Talks to Japanese Businessmen in Tokyo

PY1203000794 Lima LA REPUBLICA in Spanish 24 Feb 94 p 2

[Text] Tokyo, 23 Feb (EFE)—Peruvian Prime Minister Efrain Goldenberg said today in Tokyo that Japanese investors will gradually return to Peru because of the economic reforms and the control over terrorism being implemented by the government.

Goldenberg made this comment to EFE in Tokyo, where he is attending a two-day seminar on investments in Latin America that opened today. It is sponsored by the Nikko brokers firm.

Goldenberg spoke before 300 Japanese businessmen. He recalled the "constricting squint" of previous governments which ruined the country through bad administration and violence until, late in the 1980's, the country became an "outcast" from the international financial community.

Goldenberg predicted that the starting point for the return of Japanese businessmen will be the meeting of the Peruvian-Japanese Business Committee to be held next September in Lima. This meeting will also be attended by a Japanese business delegation headed by Kazuo Haruna, president of Marubeni Trading Company.

Japanese sources showed interest in a greater presence in Peru in face of the improved economic situation and social stability, although they are still cautious.

Goldenberg admitted: "It is difficult to erase all traces of terrorism" but assured that the government of President Fujimori will do away with guerrilla groups in 1995.

Regarding his lecture on economic reforms, Goldenberg highlighted the efforts of the Peruvian Government to conclude the privatization of state companies with the sale of the mining and oil companies next November.

Asked about the little interest shown by Japan to invest in the privatization process, Goldenberg said "the doors are open to all," and did not discard the idea that he may receive some offers.

Goldenberg added: "We built the legal framework for reforms, the pacification of the country continues, and we will continue to work on the privatization process and on ways to achieve the investments needed for our development."

He also thanked the Japanese for the formation of the support group which provided the bridge credits that allowed Peru to negotiate with its creditors in the Paris Club. He added that Peru will soon negotiate its debt with the private banks.

Goldenberg also thanked the Japanese for their "support and understanding" over the political reforms introduced by President Fujimori. Japan was one of the few countries that did not threaten to withdraw its economic aid following the "self-coup" by Fujimori in April 1992.

The seminar was attended by political leaders and bankers of Argentina, Chile, Colombia, Mexico, and Uruguay as well as by Inter- American Development Bank President Enrique Iglesias who was present at the formation of the first support group for Peru in Nagoya (Japan) in April 1991.

Uruguay

Lacalle Views Miami Summit, OAS Elections, Cuba

PY1403135494 Madrid EFE in Spanish 2321 GMT 13 Mar 94

[Text] Washington, 13 Mar (EFE)—Following his meeting with U.S. President Bill Clinton today—Sunday, 13 March—Uruguayan President Luis Alberto Lacalle underscored the importance of the upcoming "Summit of the Americas," which he believes will be a "meeting of nations rather than of governments."

Lacalle termed his meeting with Clinton—his first ever—as "brief, but all in all, most satisfactory."

During a news conference later, the Uruguayan head of state commented that the "scope" of Clinton's letter convening the Miami summit next December is unprecedented because "nongovernmental interest groups are invited to participate and hold meetings."

He said: "If integration between intermediate sectors of our society is achieved between now and December, the summit will be a meeting of nations, to which governments will contribute by applying the political and legal wrappings to something prepared from the grassroots."

Lacalle praised Clinton's idea of relating the struggle to "achieve prosperity with the strengthening of the democratic system in the entire western hemisphere."

He said he was convinced that "even though the GATT trade talks unfortunately failed to meet all our expectations, I have no doubt whatsoever that trade links between countries of the hemisphere will be strengthened."

"The integration of the Americas will be achieved in due time—perhaps not in the near future, but certainly in the foreseeable future," he said. To attain this, it is important to "further the parallel development of integration processes like the Mercosur [Common Market of the South] and NAFTA."

Lacalle praised Clinton's endeavors, as he "campaigned for NAFTA with intelligence, boldness, and zeal—which met with Latin American approval."

The head of state declined to discuss who his country will vote for at the forthcoming elections for the OAS General Secretariat.

"Uruguay will not voice its opinion. We have already decided, but we would rather not make it public until we are further enlightened through future negotiations," he noted.

The president stated that Uruguay is in favor of settling the issue by consensus rather than having an all-out struggle at the polls. He believes the new secretary general will thus have greater support.

Regarding the possibility of Cuba joining the OAS, Lacalle said: "Unless the Cuban Government changes its position," this is most unlikely.

Lastly, commenting on the elections that will soon be held in his country, the head of state said: "There is special interest in hearing the proposals of the opposition because the proposals we submitted to Congress concerning state-owned enterprises and health care were voted down."

Concerning the government's economic policy, Lacalle asserted that the important "adjustments" implemented were always accompanied by "a far-reaching social policy."

Lacalle is on a private visit to Washington, where he will be presented with an award by the AIPAC [American Israel Public Affairs Committee] (a pro-Israel lobby that gives annual awards to people who champion the cause of Israel and the Jewish people).

Foreign Minister Outlines Policies

PY1203230094 Montevideo LA MANANA in Spanish 19 Feb 94 pp 6, 7

[Article by Foreign Minister Sergio Abreu Bonilla "delivered yesterday to the editorial offices of LA MANANA"]

[Excerpts] Foreign policy is inextricably intertwined with social trends and with everything that pertains to the harmonious functioning of an institutional structure. The Foreign Ministry is vested with the power of designing and furthering our country's insertion into the regional or world scene by applying the strategies it deems most appropriate.

Uruguay has been and is respected for its stance on foreign policy. It has developed a philosophy that is respectful of international law, and which endorses nonintervention, self-determination, and the peaceful settlement of controversies. This is the reason why Uruguay's stance is taken into account when important decisions have to be made, not only concerning specific matters in our region, but also concerning the entire community of nations.

That which at present best characterizes Uruguayan foreign policy is the strategy of concentric circles. For Uruguay, its geopolitical situation in the region takes precedence over everything else. The Western Hemisphere and Ibero-American relations come next on its list of priorities, and the rest of the world comes last. Indeed, our national identity is forged by the give and take of ideas with our neighboring countries, and from there we can project our image to the rest of the world. Uruguay has followed two different approaches in its foreign policy, stemming precisely from its strategic location: the meridian policy and the parallel policy. The latter referred to the unavoidable influence exerted by Argentina and Brazil on Uruguay's geopolitical situation. The meridian policy, on the contrary, has to do with the fact that Uruguay is located in a region where the River Plate Basin is of necessity a point of reference. Therefore, in light of its geographic location as the bridge country, the country with extensive grasslands, it plays a very significant role as an outlet, as a port for the shipping of products from the River Plate Basin made up of Paraguay, Bolivia, important regions of Brazil, and principally the Argentine Mesopotamia [Misiones, Corrientes, and Entre Rios Provinces]. This meridian policy entails devising a subregional policy that is mindful of and builds on the strategies followed by Brazil, Paraguay, Argentina, and Bolivia. It is within this context that the country's policy on issues like the waterway, or the channels, is analyzed. It is against this backdrop that the conditions for being the outlet for the region's production—which will enable Uruguay to strengthen its position at subregional and especially regional levels—take shape.

The process of consolidating strategies that range from subregional to hemispheric, from Ibero-American to global, must be achieved with openness and professionalism. The Uruguayan outlook has thus gone beyond merely commercial considerations in deciding to join Mercosur [Common Market of the South]. This decision was well received by political parties, and was passed with unanimous approval in the Senate.

Uruguay's path toward integration was to a certain extent already predetermined. In fact, Uruguay's joining Mercosur was like a person jumping onto a moving bus. The alternatives Uruguay had, in CAUCE [Argentine-Uruguayan Agreement on Economic Cooperation] and PEC [Trade Expansion Protocol], would have been eliminated when the integration process between Brazil and Argentina concluded. Uruguay thus had no alternative but to join Mercosur in order to avoid losing all its alternatives, and to have a say in the many decisions to be made by this organization concerning both political and trade matters.

Within the framework of Mercosur, Uruguay's option is to gamble on the enlarging of the market so that trade between its members will be increased. The old import substitution model is no longer prevalent, and the globalization and opening of regional markets—which is the outcome of similar domestic policies—will benefit from the optimal use of comparative advantages and economies of scale.

This policy on integration is complemented by the idea of establishing low tariffs so as not "ghettoize" (confine) our trade to the region, but rather to use it as a tool to insert our country into an increasingly competitive world.

Whenever we define our position within GATT, or within the system of international cooperation, we not only stress the comparative advantages derived from a country's resources, such as beef, wool, or weather conditions, but also bear in mind the values added in manufacturing, specialization of human resources, the incorporation of technology, etc. This all leads one to conclude that no matter what their size or population, countries can be more competitive precisely on the basis of these variables. This subject of competitive advantages thus also points to our leanings in foreign policy and our position in the international community.

It should moreover be pointed out that foreign policy (which seeks to defend our markets and our positions) is necessarily linked to education by virtue of its ties with the productive sector, and also to the necessary political consensus that prevents policies from being erratically changed every five years, because of changes brought about as a result of electoral strategies. [passage omitted]

The current importance of negotiations in the Uruguay Round of the GATT trade talks can be assessed in terms of the different issues that are at stake on the negotiating table.

So much so that GATT's trade negotiations have reached a stalemate. They have bogged down precisely over a multilateral proposal for the solution to the trade problem put forward by GATT's director general who, aware of the difficulties and controversies between developing and industrial countries and among industrial countries themselves, made a multilateral proposal that envisaged certain concessions by all GATT member countries. It included the so-called access to agricultural markets, which is one of the most sensitive issues for our economies. This leads us in a way to acknowledge the instability with which we sometimes have to deal in the realm of international relations, and realize that trade policies like those within Mercosur, GATT, etc., occasionally involve economic and political questions that go beyond the daily political tug-of-war to which a country may be exposed.

The approach that we follow is then to focus first on the subregion, then the region, the hemisphere, and insertion into the world. This approach has new variables entailing new subjects.

Finally, it is necessary to bear in mind that Uruguayan foreign policy—like many aspects of our country's institutional and social life—needs to be professional. [passage omitted]

Each member of the foreign service is an official representing the leading multinational image of Uruguay, with branches and officials all over the world, making decisions and really keeping their fingers on the pulse.

We need to demonstrate institutionality and coherence, so that Uruguay's foreign policy is not simply a matter of soirees and red carpet treatments, but rather a policy that entails knocking at the doors of people who work, produce, export, and trade. A country of 3 million people that could well pass for a district of Sao Paulo or Buenos Aires, and not exactly one of the more wealthy ones, must be capable of taking good advantage of all these things with a competitive spirit and the desire for improvement. Within Mercosur, he who follows the wisest strategy is better structured, and he who develops his human resources or comparative advantages more appropriately will be able to double, triple, and even be the leader in the streamlining and modernization of the country's productive structure. This is indeed foreign policy, international policy, and geopolitical and commercial insertion.

Economy, Finance Minister Reaffirms Economic Policy

PY1103213194 Montevideo EL OBSERVADOR ECONOMICO in Spanish 24 Feb 94 p 6

[Excerpt] Uruguayan Economy and Finance Minister Ignacio de Posadas confirmed on 23 February the main guidelines of the nation's economic policy. He added that the objective within public finances is to maintain a balanced budget and that the devaluation rate will not be changed.

De Posadas told the Viewpoints radio program, aired by Montevideo Radio El Espectador: "We want a zero deficit and I believe we will not miss it by much."

As far as prices are concerned, De Posadas stated: "Inflation has been falling, it will stand at 2 percent (...) in February. This means inflation is on its way down and I believe the trend will continue."

De Posadas added: "There are no plans to change the exchange rate guidelines" because "the economic program calls for maintaining the present devaluation rate."

De Posadas admitted that a recent review of economic targets with IMF experts "has led to upward and downward corrections," adding that General Taxation Department and Social Security Bank revenue expectations "had been very pessimistic, but reality is showing that revenues are much higher than our typically Uruguayan pessimism had led us to expect."

Asked about the trade deficit, he answered: "A trade deficit is not necessarily bad, just as a surplus is not necessarily good."

He said: "Traditional exports continue to grow, which is very important. Whenever one looks at national figures one must look at them as a whole. Uruguay is receiving a lot of capital which is not registered because of errors and omissions. This capital is used mainly for investment and consumption."

De Posadas added: "It would seem that the upward trend of the deficit changed in December, although one swallow does not make a summer." [passage omitted]

Higher Court Confirms Extradition of Alleged ETA Member

PY1203011294 Madrid EFE in Spanish 1523 GMT 11 Mar 94

[Text] Montevideo, 11 Mar (EFE)—Official sources reported today that higher Uruguayan courts have confirmed the extradition request on Miguel Ibanez Oteiza, an alleged member of the ETA [Basque Fatherland and Liberty] Basque terrorist organization.

The Spanish courts submitted two requests for the extradition of Ibanez Oteiza. The lower and higher courts approved the first.

This approval corresponds to the second Spanish request, which mentions charges of involvement in an attack, while the first request—which was also granted—mentions murder charges.

Oteiza and 12 other Spanish citizens were arrested by the Uruguayan police, at the request of Spain, in May 1992 in Montevideo. The Spanish citizens, who had forged documents, were running a Basque restaurant known as "La Trainera."

Of the 13 detainees, the courts rapidly released five, against whom Spain did not submit extradition requests.

Of the eight whose extradition was requested, local courts released three in 1993, after rejecting the extradition request. They are Rosario Delgado Iriondo, Jesus Maria Iriondo, and Pedro Maria Lizarralde Izaguirre.

Uruguayan lower and higher courts granted the extradition of two: Jose Maria Goitia Unzurrunzaga and Miguel Ibanez Oteiza.

As for the three remaining Spaniards, Uruguayan lower courts rejected the extradition request on Juan Jose Urrutia Pia and Amaya Araquistain Unamuno. The decision was appealed before a higher court.

Uruguayan lower courts granted the extradition of the last Spaniard, Luis Maria Lizarralde Izaguirre, but his lawyer, Gustavo Puig, appealed the decision.

Consequently, the five Spaniards whose extradition had been either granted or which are awaiting an appellate court decision remain in Montevideo's central prison.

The case of the alleged ETA members has been well covered by the Uruguayan press, which today dedicated broad coverage to the matter because it coincides with the acceptance by the Spanish King and Queen of an official invitation to visit Uruguay.

The date for the visit, which follows an invitation by Uruguayan President Luis Alberto Lacalle, is unspecified despite announcements in Uruguay that it will be made in the third week of April.

According to various sources, the visit's indefinite postponement followed displeasure expressed by Spanish authorities on two occasions over the delay in the extradition of the two alleged ETA members—Oteiza and Goitia—who cannot further appeal their extradition.

Uruguayan executive branch sources consulted by EFE suggest that the problem is that the two have trials pending in Uruguay for using forged documents, which they were carrying when arrested.

Lawyer Puig has said the trials for these minor crimes have not begun, even though almost two years have passed since their arrest, and the delay can last another year.

Presidential spokesman Roberto Etcheverry told EFE: "The Uruguayan Constitution guarantees the independence of the branches of government. This regulation is fully respected, for which reason the executive branch cannot and should not intervene in the court decisions."

Venezuela

President Caldera Signs Emergency Banking Law

PA1003155994 Caracas Venezolana de Television Network in Spanish 1400 GMT 10 Mar 94

[Speech by President Rafael Caldera at ceremony to sign emergency banking law in Caracas—live]

[Text] Mr. President of Congress; Mr. President of the Chamber of Deputies; Messrs. Senators, Deputies, Ministers, and representatives of public power; and civilian society:

I will just say a few words to state that we have decided to promulgate without delay the emergency law that Congress has issued so that the special measures contained in the law can be adopted immediately and the situation of Banco Latino and the financial system in general can be addressed.

I think that in this case, we have had the first experience of what we call the commitment to solidarity. All the public power institutions have contributed to the effort to face this delicate, difficult, and complex situation. The private sector has also expressed, in different ways, its willingness to cooperate so that solutions can be undertaken to the satisfaction of a large number of Venezuelans and foreign residents in the country who have seen their economic situation gravely jeopardized by the events that have taken place.

After promulgating the emergency law, the national government plans to immediately present to the legislative chambers a bill with a brief partial reform of the published document because it considers that some of the approved provisions, due to the justified brevity of time because of the praiseworthy urgency with which Congress worked on the law...[pauses] perhaps there was not sufficient thought about the consequences that some of the norms might have and which, far from helping, might hinder the objective of achieving the reorganization of the Venezuelan financial system, which is an objective that concerns all of us. The law that I just signed has this double objective: on the one hand to address the emergency situation, the special situation created by the Banco Latino crisis, and on the other to give the branches of government the definite possibility of favorably resolving the aspects that might create fear among the Venezuelan community and the difficulties for the operation of the financial system.

I am sure that the same climate of dialogue and cooperation among the branches of government, which has prevailed in the passage of this law, will also be present when the government proposals regarding this are received.

I think today's action brings hope to those who have watched their personal situation with anguish due to the Banco Latino crisis, which I have not hesitated to describe as a real disaster and whose dimension has exceeded everything that was initially thought when the government of President Ramon Velasquez decreed the intervention of that bank.

I thank those present here, especially the members of the legislative chambers and the members of the committees that have been involved in this issue. I thank them on behalf of Venezuelans because they have maintained an open-minded, understanding, and constructive position that undoubtedly leads us to have strong hope about the future of the country and which views with undeniable and appropriate concern the situation of the economy and the National Treasury.

Again, thank you, and I hope the Venezuelan people, who have been shaken by the recent events of Banco Latino will feel more secure and have more hope about the efforts that the public and private sectors are making to guarantee everyone their legitimate rights and to share the necessary sacrifice to resolve the situation. [applause]

Banco Latino To Fall Under Law

PA1103042994 Caracas Venezolana de Television Network in Spanish 1550 GMT 10 Mar 94

[Report by Cecilia Pachano]

[Excerpts] According to an announcement by Gustavo Rossen, president of the Banco Latino intervention board, Banco Latino could resume operations in 24 days as result of the new Emergency Banking Law recently signed at the Miraflores Presidential Palace. This morning, the president signed the Banking Emergency Law, thereby approving a new legal framework aimed at providing financial assistance to all financial institutions confronting a liquidity crisis like the one plaguing Banco Latino. In signing the new law, President Rafael Caldera said it is a decision of solidarity toward thousands of Venezuelans affected by the Banco Latino crisis. [passage omitted]

Delegations representing the banking sector, the National Congress, and members of the intervention board were present at the signing ceremony. Congressional representatives explained some of the benefits the law offers. In addition, the president of the Venezuelan banking association said the law establishes a framework allowing for the renewal of confidence in the country's banking system.

[Begin recording] [Democratic Action Deputy Omar Barboza] Starting with 10 million or more bolivares, the intervention board will be able to limit the application of this index or rate in order to repay interest to deposit holders. One thing is the guarantee, which amounts to 4 million bolivares, and another is the possible limit in applying the consumer price index to determine interest. Starting at 10 million bolivares, the intervention board is free to apply the interest rates it believes to be most applicable to the bank's reorganization plans.

[National Banking Council President Jose Bouzas] This law establishes a framework that will allow solutions to the crisis the Venezuelan banking sector is going through to be found. As members of the banking sector, we seek to establish guidelines allowing the bank's reorganization and the adoption of adequate solutions to protect deposit holders thereby enabling them to recover all their savings. On the other hand, this law provide a legal reference to support and sustain the entire banking system, which is currently being assisted by FOGADE [Deposit Guarantee Fund]. In other words, if we can ensure joint actions between the public and private sector, basically from national private banks, I then believe we will be able to establish joint programs between the banking superintendency, the Venezuelan Central Bank, FOGADE, and national private banks. In addition, there will also be the possibility of helping Banco Latino's depositors, helping with the bank's reorganization, and in finding a solution to the banking system crisis. [end recording]

The Central Bank president, who was also present during the Emergency Banking Law signing ceremony, insisted this institution has carried out its duties according to the law, and she indicated that she has all necessary documents to support her statements. The documents will be given to the courts soon.

[Begin recording] [Central Bank President Ruth de Krivoy] Through out the process, the Central Bank of Venezuela has conducted itself strictly in accordance with the law, with absolute objectivity. The bank has also promoted immediate, timely solutions to all difficulties it experienced. The Central Bank has extensively explained its performance to the congressional commissions. We also intend to provide all necessary details requested by the courts relating to this institution's performance. In this respect, I can say that from an ethical as well as a banking and monetary policy point of view, the Central Bank of Venezuela has conducted itself in accordance with the law, and we are willing to prove it to whatever level may be necessary. [end recording]

Gustavo Rossen, president of the Banco Latino intervention board said there are some legal loopholes, which Congress will solve soon. At the same time he insisted that Banco Latino depositors can rest assured the bank will be bank rolled within a very short period.

[Being recording] [Rossen] The request we plan to make of deposit holders, when the reorganization plan is finally approved, is to have confidence that once Banco Latino has been bank rolled by the government, then it will once again be one of the most solid banks in the country.

Deposit holders should not be apprehensive about leaving their deposits in the bank because they will be entirely paid back. In addition, they are essential if Banco Latino is expected to be the type of bank its long time clients want it to be: successful, versatile, and a bank capable of providing good service to its clients.

[Pachano] You have already decided on the details of the reorganization plan? It has...

[Rossen, interrupting] Yes, we have.

[Pachano] Has the plan been presented to President Caldera?

[Rossen] No, there is no need to present it to the president because it is not up to him to decide. The reorganization plan will be presented to the Central Bank of Venezuela in accordance with the law, and also to FOGADE.

[Pachano] Is it going to be presented this afternoon?

[Rossen] This morning we presented it to the Central Bank and this afternoon we will present it to FOGADE.

[Pachano] Both institutions must approve the plan?

[Rossen] That is correct.

[Pachano] If they ...

[Rossen, interrupting] Because both institutions will provide the funds to implement the program.

[Pachano] If the plan is approved today, how soon will it be implemented?

[Rosses] The reopening or reorganization plan, whichever you prefer, will be implemented in approximately 24 days as of [words indistinct]. In his address to the nation, President Caldera spoke of 30 days. If I am not mistaken, six days have gone by since his address to the nation, therefore we still have 24 days to reopen the bank. By reopen, we mean reorganize. [end recording]

Once the Banking Emergency Law signing ceremony concluded, Gustavo Rossen headed to the Central Bank of Venezuela to present details on the Banco Latino reorganization. During the afternoon hours, he will also meet with the FOGADE board of directors to explain the reorganization program. If the plan is approved, Banco Latino could resume operations in 24 days.

IESA Economist on Challenges Facing Caldera

94SM0250A Caracas EL NACIONAL in Spanish 7 Feb 94 p E1

[Article by Ana Diaz]

[Excerpts] [Passage omitted] The principal challenge to President Caldera and his economic team will be to prevent an increase in the rate of inflation and to protect the level of international financial reserves to prevent a further major devaluation, according to economist Gustavo Garcia of the Institute of Higher Education for Administration (IESA). Economic problems militate against the optimistic scenario of maintaining 1993's rhythm of inflation (an average rate of 46 percent.)

Garcia believes that this government has inherited a profound economic and financial crisis, whose solution becomes more difficult because of the country's social problems and the restrictions that Caldera himself spoke of in his inaugural address (taxes, increase in the price of gasoline). The principal reason for the economic crisis is the budget deficit, which could reach from 5 to 8 percent of the gross domestic product (from 350 billion to 560 billion pesos, respectively).

The feasibility of maintaining an accord on prices (salaries, exchange rates, and prices of goods and services), mentioned by some members of the new government, seems unrealistic and improbable, according to Garcia. [passage omitted]

The new government will apply the VAT [Value Added Tax], although with another name, only to wholesalers and with a long list of exemptions, which Garcia believes, could contribute to higher levels of tax evasion. He warns of the grave error of falling into the temptation of using funds from the sale of the assets of privatized firms to cover the deficit.

The sale of shares in PDVSA [Venezuelan Petroleum, Inc.] to pay off large amounts of the external debt is another possibility, which would also reduce the pressure of interest payments. Although this measure is impeccable from a financial point of view, it would be dangerous if not accompanied by a radical restructuring of government finances.

According to the IESA economist, the alternatives for financing the deficit are very restricted, because Venezuela's access to international financial markets is limited, especially when the macroeconomic situation is not sustainable. Economic instability would limit the funds that could be obtained from the multilateral organizations if there is no clear intention and specific plan to put government finances in order.

There are also serious restrictions on further increases in the domestic debt (new issues of letters of credit in bolivares) to finance part of the deficit, because it would mean substantial increases in interest rates. [passage omitted]

AD Leaders Deny Seeking U.S. Support for Coup Plans

PA1203004194 Caracas EL NACIONAL in Spanish 11 Mar 94 p D2

[Report by Rafael Nunez]

[Excerpts] Luis Alfaro Ucero, Democratic Action Party [AD] secretary general, unexpectedly met on Wednesday night with former Defense Minister Vice Admiral Radames Munoz Ledo. AD Secretary of Organization Lewis Perez Daboin also was present at the meeting.

Although it was said that the meeting was a social event to welcome Munoz Ledo, who recently returned from vacation in the United States, AD sources did not rule out the possibility that this meeting could be part of an AD internal stratagem to reorganize the party and recover some ground lost by the political organization. [passage omitted on background material]

In addition, reports that Munoz Ledo will seek support from the Pentagon for presumed coupist plans in Venezuela still circulate. Of course, AD leaders, including Alfaro Ucero, have denied those reports. Alfaro Ucero expressed his full support for Munoz Ledo, describing him as a democrat.

National Guard Commander in Zulia Department Dismissed

PA1303044994 Caracas EL NACIONAL in Spanish 9 Mar 94 p B16

[Report by Ebis Romero]

[Text] Maracaibo, 8 Mar—General Antonio Rojas Salazar, National Guard commander in Zulia Department who was slated to be transferred on 5 July, has been removed unexpectedly without both the usual change of command ceremonies and the presence of General Egberto Artuza Delgado, general commander of the Armed Forces of Cooperation [FAC], who preceded Rojas Salazar as head of the 3d Regional Command of the National Guard Garrison in Zulia. Rojas was to have been transferred on 5 July as a result of the FAC general's retirement.

It has been reported that the unexpected dismissal of the National Guard commander in Zulia is a reprisal for his repeated confiscations in the border area of Paraguachon of millions of bolivares and U.S. dollars smuggled from Colombia, money that could have been used in the alleged crime of legalization of capital or money laundering.

The National Guard seized 47 billion bolivares last year from Arab businessmen who were taking money to Maracaibo to exchange it for U.S. dollars and then transfer it abroad. The Eighth Preliminary Criminal Court, through Judge Mirtha Alvarez de Rios, issued an arrest warrant for the Arab businessmen on charges of smuggling money to Venezuela.

Authorities recently confiscated $400,000 and 2 million bolivares about to be smuggled into Venezuela, reportedly owned by businessman Roy Harn, of Aruba, and a purported personal friend of Commander Artuza Delgado.

In addition, $3,000 were confiscated at the border. This money, and the remainder of the confiscated money, was deposited in the Banco Central de Venezuela vaults in Maracaibo.

All of the confiscated money was deposited at Banco Central in the presence of Drug Prosecutor Alfonso Marquez Saavedra and Alix Boscan de Baptista, the 18th judge in charge of drugs.

Riots, Strikes Continue in Merida for Sixth Day

PA1103204794 Caracas EL UNIVERSAL in Spanish 9 Mar 94 p D29

[Report by Innac Asdrubal Romero]

[Text] Merida, 8 Mar—More student demonstrations took place here and transportation service continues to be at a standstill for the sixth consecutive day. To make things worse, demonstrators threw rocks at a police patrol vehicle after unsuccessfully trying to set fire to it.

During the morning there were protests in several parts of the city which later turned into riots. The police repelled the demonstrators with tear gas, while students wearing face masks threw rocks and other hard objects.

Near the junior high school in the northern section of the city, several groups attacked police patrol vehicle 181. After unsuccessfully trying to set fire to it, they stoned the vehicle. Several demonstrators were hurt.

Alejandro Zambrano, a student who was charged with burning a bus, was released. This was in response to the demands made by another student. Nevertheless, police still had to use tear gas to disperse the demonstrators.

Merida is without transportation for the sixth consecutive day. Transportation union leaders say they are unable to work due to the lack of security, as they find the government unwilling to come to their aid.

National Transportation Strike

The National Transportation Federation called a 48-hour strike for Thursday and Friday, because the Ministry of Transportation and Communication has not responded to their demands. The demands include changing the preferential student fare to half price. The strike is nationwide. In the predawn hours the strike will be regional, which means there will be no transportation service in Merida or in the interior of the state.

Police sources reported that masked demonstrators looted a trailer truck loaded with cosmetics on Monday.

President Speaks at Border Council Installation Ceremony

PA1303013894 Caracas Venezolana de Television Network in Spanish 1629 GMT 8 Mar 94

[Speech by President Rafael Caldera during the National Border Council installation ceremony at Miraflores Palace in Caracas on 8 March; broadcast in progress—live]

[Excerpts] [Caldera] ...citizens Pompeyo Marquez Millan, Monsignor Ignacio Velasco, Valmore Acevedo, Clemente Scotto, (Noelipo Caterra), Carlos Macero Rey, Francisco Castaneda: Do you swear to uphold and defend the Constitution and the laws of the Republic and fulfill well and faithfully the posts of president and members of the National Border Council to which you have been appointed?

[Council members] I do.

[Caldera] If so, may God and the fatherland honor you; if not, may they hold you accountable.

[Unidentified announcer] Members will now sign the minutes. [passage omitted]

[Caldera] This will be the organization in charge of promoting and coordinating the various economic, political, cultural, ethnic, ecological, and other activities about which all Venezuelans should be concerned, as well as about the people who live in these most remote areas of our country. The National Border Council is not tasked with demarcation. Such matters are the concern of the Foreign Ministry, under the direction of the president of the Republic. They are, as I said, responsible for promoting, coordinating, and directing the various activities that deal with the human presence along our country's borders, the people's development in bordering towns. This is not simply a demographic and statistical effort but also entails a number of issues regarding the concept of sustainable development and the need to affirm national sovereignty all across the fatherland.

I must thank State Minister Pompeyo Marquez for having accepted this mission, perhaps the most important assignment I have entrusted upon him as a state minister. I must also thank the members who will accompany the state ministers as advisers on border issues. Among these people are Monsignor Ignacio Velasco, the Bishop of Ayacucho, who has extensive experience in such areas and who is a proven patriotic spirit; the mayors of Gran Sabana and Caroni Municipality, who represent the human presence in the region. They are a symbol of municipal participation, the basic nucleus of the political community in this effort that we intend to pursue vigorously.

The Venezuelan border is extensive and varied. Certain portions are highly populated, such as the border region between Venezuela's Tachira State and Norte Santander in Colombia; many other portions have been neglected, and certain portions are marked by geographical lines, others by the course of rivers and streams.

More than the limits or our sovereignty, certain areas frequently become corridors for incursions that are not always the most convenient for our countries. Many times these incursions bring disturbances, even crimes. This extensive border covers very different landscapes. From Piedra del Cocuy, where our border with Brazil begins, to Santa Elena de Uairen, the border separates two countries that have lived with their backs to each other for many years. Now they are seriously concerned with uniting their initiatives and coordinating their possibilities, to the benefit of the communities living on either side of the border.

There are, then, many problems regarding this issue, including our insular domains, which have often been neglected by geographers throughout history. The potential here is enormous, and the possibilities are many for the future economic and social development of the Venezuelan nation.

Promoting interest among Venezuelans to know, occupy, and defend their borders is a task that must not be delayed; this is why we have given this ceremony such special importance. In recalling the founding of this institution, which we are reactivating today, I feel obligated to mention a leading collaborator, an outstanding Venezuelan foreign minister whose name was Aristides Calvani.

Aristides Calvani, the foreign minister during my first administration, played a significantly important and admirable role in matters of state, with a passion for the fatherland and an overwhelming interest and desire to serve. At this time, as is just, I would like to express my recognition and gratitude to such a statesman.

I thank all those present here today for accompanying us. I hope your presence here is a demonstration of your commitment; it is, however, a reciprocal commitment. The government's commitment is to address seriously the problems facing the National Border Council. The commitment of all sectors and levels of the civilian and political community is not to look upon Venezuela's responsibility regarding its border regions with indifference. Border development problems are not only the government's responsibility; they are everyone's problem, just like so many other issues that frequently frustrate and annoy us so much.

To find a final solution, then, the government needs the constant help of all Venezuelans. I reaffirm my gratitude for those accompanying us today. I also reaffirm my conviction toward this and other essential issues, that are so often looked upon with little concern or interest, and that will make Venezuela recognize the need to present itself proud and aware of its possibilities toward the 21st century.

Ministry Reorganization Places State TV Under New Authority

PA1303174194 Caracas Venezolana de Television Network in Spanish 2350 GMT 9 Mar 94

[Report by Cecilia Pachano for "The News" newscast]

[Text] The Council of Ministers approved during its daily session the reorganization of the Ministry of the Presidency Secretariat. The measure will save the executive branch approximately 205 million bolivares and is expected to save the nation 410 million bolivares.

Presidency Secretariat Minister Andres Caldera personally announced the decision, which proposes a reorganization of the ministry to make it a secretariat again. The ministry will reassign 14 organizations under its authority to other ministries. The goal is to set an example for the austerity and administrative efficiency policy announced by the government.

[Begin Presidency Secretariat Minister Andres Caldera recording] As for the internal reorganization, it is appropriate to mention first the modernization and simplification of the General Directorate for Management and Services; the creation of a presidential advisory office; the creation of a unit to follow up on presidential decisions, a duty ascribed to the Council of Ministers secretary within the presidency's private secretariat; the creation of a state advisory unit within the legal consultative office to render public services, such as the publication of decisions and the compilation of laws and decrees; and the strengthening of the internal auditing office by creating an oversight mechanism for the control of assets and services and for administrative investigations. [end recording]

Venezolana de Television [VTV], which is currently under the Ministry of the Presidency Secretariat, will be transferred to the Central Information Office [OCI]. OCI Chief Guillermo Alvarez Bajares announced the approval of a budget for the state-owned television channel. He also announced the cabinet's decision to annul Decree 3,081 creating the Channel 5 Foundation. Alvarez Bajares explained that the executive branch is determined to fully support VTV, and a special study will be undertaken to decide Channel 5's future.

[Begin Alvarez recording] Whereas Decree 3,081 dated 22 July 1993 and published in edition 35,269 of LA GACETA dated 6 August 1993 authorized the presidents of CONAC [National Culture Council] and VTV to create the Channel 5 National Television Foundation with the Chamber of Deputies and through an organization established for that purpose;

Whereas the aforementioned foundation was created on 19 November 1993 through a deed recorded by the Alternate Second Circuit Registry Office in Libertador Municipality, Federal District, under No. 15, Protocol 1, Volume 30, without taking into consideration the participation of VTV as ordered by the aforementioned decree;

Whereas VTV's infrastructure, technical equipment, and general working conditions are in a critical situation;

Whereas it is contrary to the austerity policy and the mentioned critical situation to grant the recently created Channel 5 National Television Foundation a budget of 500 million bolivares, the same amount assigned to VTV, which lacks the resources to provide efficient service;

Decrees: Article 1. Annul Decree 3,081 dated 22 July 1993 and published in LA GACETA, the official newspaper of the Republic of Venezuela, in edition 35,269 dated 6 August 1993.

Proceed to dissolve the Channel 5 National Television Foundation created through a deed recorded by the Alternate Second Circuit Registry Office in Libertador Municipality, Federal District, on 16 November 1993 and under No. 15, Volume 30, Protocol 1.

The minister of the Presidency Secretariat and the minister of state and chief of the OCI are responsible for implementing this decree. [end recording]

Entry of Illegal Aliens Through Maiquetia Airport Described

94SM0250B Caracas EL NACIONAL in Spanish 11 Feb 94 p D18

[Article by Hernan Mena Cifuentes]

[Text] The bands that traffic in illegal aliens struck a new blow in the past few hours with the illegal entry at the international airport of Maiquetia of some 30-odd Chinese and Iraqi citizens, less than a week after the arrest of eight Indians, who also lacked the necessary visas.

The report, confirmed by authorized spokespersons of several state security organizations assigned to the airport, states that due to the rapid intervention of police intelligence and investigative services of the DIEX [Directorate of Identification and Alien Affairs], the band has been virtually destroyed. However, two of its members, who were identified as officials of Interpol and of Immigration, escaped when they were about to be arrested.

The first group of illegal aliens—six Iraqi citizens—arrived last Saturday, 5 February, on board an Alitalia flight from Rome and, after paying $18,000, were taken from the transit section to the outskirts of the airport, where an automobile awaited them that took them to Caracas.

On the following day, according to the source, 28 Chinese citizens, all illegal aliens, arrived on board a British Airways flight from London in transit to Cartagena. They were held at the airport and taken to the offices of DIEX, in the customs area.

Once inside the DIEX offices, there began a scramble among several employees of DIEX and Interpol over the division of the thousands of dollars that the Asians offered to pay so as not to be deported.

A dispute the following day, provoked by the alleged contact or abettor (naturalized Chinese) of the illegal Asians, who argued heatedly with a member of the band (a DIEX official known as "El Maracucho"), insisting that he not demand more money for the "service," sparked an investigation by DISIP [Directorate of Intelligence and Prevention Services], carried out by personnel of the Immigration Investigative Service in Maiquetia.

As a result of the investigation, two officials were about to be arrested who were suspected of being implicated but, presumably warned by their accomplices, they "disappeared" and are now fugitives.

As is widely known, the traffic in illegal aliens at Maiquetia is an old story, and many scandals have been uncovered that involved senior officials in the Immigration Service in this commerce in human beings.

Because of the activities of these bands of traffickers and mafia-like organizations that operate at Maiquetia, the DIEX offices at the airport have been investigated several times in recent years, which makes it probable that a similar investigation could take place, in an effort to destroy these organizations.

The entry of illegal aliens through Maiquetia is said to have produced millions in profits in U.S. currency for the groups that engage in this traffic. It is estimated that, between Arabs, Chinese, citizens of India and other countries, they have brought in thousands of people from various parts of the world.

Political Consultation Mechanism Installed With PRC

PA1303044094 Caracas EL NACIONAL in Spanish 8 Mar 94 p A2

[Report by Jose Figueredo]

[Text] The Beijing government is quite interested in increasing economic relations with Venezuela, particularly in the trade of oil and metallurgical products, stated PRC Vice Foreign Minister Liu Huaqiu in a meeting with journalists during his visit to the Foreign Ministry for the installation of the Chinese-Venezuelan Political Consultation Mechanism.

"The two economies complement each other quite well. Many Venezuelan products—for example, oil, iron, steel, and aluminum—are needed in the PRC, while some of our light industry products could find a good market in Venezuela," Liu has said.

In an effort to strengthen bilateral trade, both governments are seeking ways to sign new economic cooperation agreements that establish a legal framework for an economic exchange.

Within the framework of the consultation mechanism, the two parties have discussed issues of bilateral interest to strengthen Beijing-Caracas ties. They have also talked about the internal situation in both nations and mutual support at international organizations.

The meeting was attended by Deputy Foreign Minister Roy Chaderton, International Policies Director Demetrio Boersner, Vicente Vallenilla, international economy and cooperation director, as well as other high-ranking Foreign Ministry officials. The PRC delegation was led by Vice Foreign Minister Liu, Liu Guo Xing, director of Latin American Affairs at the PRC Foreign Ministry; and Huang Zhiliang, PRC ambassador to Caracas.

Foreign Minister Miguel Angel Burelli received Liu at the Yellow House following the meeting.

Suriname

Recovery Plan To Be Discussed in New York

BR1003150994 Rotterdam ALGEMEEN DAGBLAD in Dutch 10 Mar 94 p 3

[Unattributed report: "Pronk Wants To Talk To Suriname in New York"]

[Text] Paramaribo—Cooperation and Development Minister Pronk has suggested to his Surinamese counterpart, R. Assen, that they talk about the Structural Adjustment Program (SAP) for the economy in New York on 19 March.

Paramaribo accepted the invitation and has approached the Warwick Research Institute (British university) to act as adviser. The International Monetary Fund (IMF) will be there for the Netherlands.

Pronk's invitation is a reaction to the Surinamese proposal of 24 February to begin talks as quickly as possible on a solution to the lingering question of external guidance for the SAP. In Paramaribo, emotions were running high this week following the sharp criticism levelled by Pronk at the Surinamese approach to the economic crisis. However, with the indignant statement made by Assen on the matter, the question would appear to be over.

The Netherlands is still demanding that Suriname takes on the IMF as an external adviser for the SAP before there can be any talk of resuming economic aid. However, Paramaribo wants to throw in its lot with Warwick. Warwick, however, only wants to give technical assistance and is "not prepared nor in a position" to coercively enforce the required measures, nor to advise The Hague on resuming aid.